

AALU Criticizes Some Of Proposed N. Y. Curbs On Financed Insurance

By ROBERT B. MITCHELL

NEW YORK—Assistant Attorney-General Life Underwriters, the organization that grew out of efforts to protect the tax deductibility of interest on loans made to buy life insurance, was the most vigorous objector, at Wednesday's hearing, to some of the curbs the New York department proposes to place on the high early cash value policies that give financed life insurance its attractiveness.

AALU President Merrill P. Arden, Connecticut Mutual, New York City, objected to the draft regulation's first section, restricting high early cash values. He said "we believe that the life companies should be encouraged to offer the public the highest cash values possible, on a sound actuarial basis." He said these policies are valuable merchandise in life insurance selling and it would be regrettable to see them removed from the market because of a small percentage of undesirable loan business resulting from them.

Limitation Of Expenses

Mr. Arden objected particularly to section 2, which would restrict expense margins by permitting companies to count as paid premiums only the difference between gross first year premium and any loan made against the policy by the company during the first year.

"Essentially, the man who buys financed insurance has a policy against which he may or may not borrow, as

he sees fit," he said. "We think it is unsound and impractical to make commissions dependent upon the policyholder exercising a right in his contract."

Actually, there would be no direct curb on commissions but the squeezing of the margins by the regulation could well have the effect.

Many Loans Repaid

Mr. Arden said it has been the personal experience of most of the men in his association that many of their policyholders have repaid loans and thereafter paid their premiums in full on policies initially sold on a financed basis.

"The department has stated that a financed insurance sale is essentially the same as a term sale and that the commission paid to the agent should

be essentially the same as that on a term contract," he said. "We contend that a policy sold on a financed basis—where future premiums are contemplated to be paid by continuing loans—is similar to term insurance only that the cash outlay by the insured is about the same as term."

"Aside from that one aspect, the similarity ceases. We wish to point out to the department that—when properly sold to the right person—there are options available in a financed plan that make it far more attractive and advantageous to the policyholder than term insurance."

Mr. Arden emphasized that attempts to police business through the manipulation of expense limitations are not likely to succeed. He cited the following types of situations:

—Suppose loans are made against

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NALU Gets Title To Headquarters Site

WASHINGTON—National Assn. of Life Underwriters has made final settlement and received clear title to the site of its permanent headquarters building at 1922 F Street, N. W. here.

During the transaction in the offices of the Lawyers Title Insurance Corp., representatives of NALU and the Church Orphanage Assn. of St. John's Parish completed arrangements whereby the national association purchased the orphanage's four-story building on a land area of 27,000 square feet. The building will be completely remodeled by NALU, and, when finished, will contain approximately 21,000 square feet of office space for the association and its tenant, Life Underwriter Training Council.

Current plans call for occupancy by early 1960.

Representing NALU at the settlement ceremonies were Albert C. Adams, John Hancock, Philadelphia, past president and a trustee of the memorial building fund; Louis J. Grayson, Travelers, Washington, D. C., treasurer; Arthur W. Defenderfer, John Hancock, Washington, D. C., chairman of the building committee; Lester O. Schriver, managing director, and Carlyle M. Dunaway, general counsel.

Observers were Levi E. Bottens, and Merritt L. Schriver, director of admissions and director of promotion, respectively, for LUTC.

Matthew Campbell Named N. Y. Deputy

NEW YORK—Assistant Attorney-general Matthew A. Campbell has been appointed a deputy insurance superintendent of New York. He is 40 and has served in the claims bureau of the attorney-general's office since 1955. Before that he was an assistant U. S. attorney, civil division, for two years, following service as assistant counsel of the New York City Transit Authority.

Trend Toward Less Liberality Noted In Major Medical

Actuaries See Need For Controlling High Charges; Many Items On N. Y. Agenda

NEW YORK—A trend toward less liberal major medical plans was reported by a number of participants in the informal discussion at the eastern spring meeting here of Society of Actuaries.

A. M. Thaler, Prudential, cited control of high charges and high utilization of expensive services as the principal problems in major medical. He noted that experience in the San Francisco area is worsening steadily, but the problem continues to be most serious in Los Angeles.

W. H. Burling of Travelers, W. W. Mincks, Equitable Society, and W. S. Thomas, Metropolitan Life, also submitted discussions that confirmed the other speakers' comments indicating a trend toward less liberal plans. Examples cited were inner limits on surgical benefits, limitations on mental illness benefits, pre-existing condition limitations, and inclusion and enforcement of anti-duplication provisions.

When Evidence Is Required

Mr. Thomas described conditions under which evidence of insurability is required for dependents, but J. W. Moran, New York Life, pointed out

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Faulkner Advances To Chairman Of Health Council

E. J. Faulkner, president Woodmen Accident & Life, has been elected chairman of Health Insurance Council. Mr. Faulkner, who served as chairman-elect during the past year, succeeds Morton D. Miller, vice-president Equitable Society.

Arthur M. Browning, New York Life, was named to succeed Mr. Faulkner as chairman-elect.

Reelected vice-chairmen were C. Clark Bryan, American Life Convention; Louis A. Orsini, Health Insurance Assn.; Albert V. Whitehall, Life Insurance Assn., and James R. Williams, Health Insurance Institute. Alice M. Chellberg, American Mutual Insurance Alliance, was reelected secretary.

The election was a highlight of the council's annual meeting at Chicago. Also featured were progress reports by the officers and by chairmen of committees.

Mr. Faulkner served as first president of Health Insurance Assn. when it was organized in 1956 and is a past chair-

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BIG DAY FOR NALU—Arthur W. Defenderfer, John Hancock, Washington, D. C., chairman of the National Assn. of Life Underwriters building committee, seated second from left, receives clear title to the association's new headquarters building and lot in Washington, D. C. Handing over the title is Bernard E. Roache of Lawyer's Title Insurance Corp. Witnessing the ceremony are, standing from left, Lester O. Schriver, NALU managing director, and Louis J. Grayson, Travelers, Washington, D.C., treasurer. Seated left, James C. Wilkes Jr., Washington attorney, and seated right, D. C. Antonelli Jr., president of Parking Management, Inc., whose lease NALU bought so as to clear the way for purchase of the land.

Excerpts From Victor Goldberg's Attacks On Mutual Funds Are Given

By ROBERT B. MITCHELL

NEW YORK—Only one of the seven mutual fund organizations that General Agent Victor R. Goldberg of Mutual Benefit Life at Hempstead, N. Y., lit into in his now-famous New York City Life Underwriters Assn. talk has accepted THE NATIONAL UNDERWRITER invitation to refute Mr. Goldberg's specific criticisms. However, the executives who did comment were very helpful. Also, we obtained some useful comment from sources not connected with any of the funds.

Submission of the Goldberg transcript to the funds he criticized became necessary after the National Assn. of Investment Companies backed away from any attempt to refute what it might consider erroneous statements and would only say that the talk was based on "incomplete information and an inadequate knowledge of common stock investing in general and mutual funds in particular."

Reactions Vary Widely

Reactions of fund executives ranged from full cooperation—though on a "don't-quote-me" basis—to no answer whatever. One fund's executive vice-president expressed surprise that "a publication of THE NATIONAL UNDERWRITER's standing" would publish such material—but he declined to specify even one point on which he considered Mr. Goldberg to be in error.

An official of another fund refused to answer, on the ground that to do so would put his company "on the defensive." He seemed sure it didn't belong there—but refused to say why. His position was that the talk was so full of misinformation and distortion that he couldn't begin to point out its errors.

That sort of reaction looks suspiciously like a smoke-screen. However, it must be admitted that as a cold-print document to show a wavering client, the transcript would need considerable amplifying, documenting and qualifying to be completely fair and unchallengeable. At the same time, in the course of his hour-long rapid-fire talk, Mr. Goldberg made quite a few points that deserve better answers than shrill cries of "Foul!"

So we're going to give in condensed form his major criticisms, together with some comments from mutual fund sources and, to certain of these comments, Mr. Goldberg's rebuttal.

Cost Of Service Is Theme

The main theme of the talk was that mutual funds charge a substantial percentage for sales and management service but don't have a correspondingly hot record for results. Mr. Goldberg's approach is fairly well epitomized in the following passage, in which he was discussing the nine-year record on a mutual fund share that sold for \$10.01 in 1946 and two cents less than that nine years later:

"Nine years out of a 10-year period shown, it is worth \$9.99 a share, and you are out two cents. You didn't even have the fun of playing with the money."

"You know, it is like you were going to a poker game and saying, 'I'm going to have fun playing poker to-night.' And you get to the poker game and somebody taps you on the shoulder

and says, 'Look, don't you play. Let me play for you, and I will take out 17% of all the money you put in here, and then if you make anything it is all yours.'"

The foregoing quotation also points up two other things: the basis of the more legitimate of the mutual funds' complaints and why the verbatim transcript, without modifications or explanations, might easily backfire as a competitive weapon if it got into the hands of a reasonably astute client or a mutual fund salesman trying to lure him away from life insurance. Here's why:

The two-cent loss cited by Mr. Goldberg, a mutual fund man commented, was actually a \$1.76 gain, because \$1.78 was returned in capital gains during the nine years. The same source pointed out that the 17% figure give an

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Sell Major Medical Via Diners Club

The Diners Club is making its billing and collection facilities available to independent insurance agents and brokers. Under a new program, Diners Club members may purchase guaranteed renewable major medical coverage and make premium payments on their regular club statement.

Local agents will do the actual writing. Agents will forward applications to the underwriting company, Beneficial Standard Life of Los Angeles. When issued, the policy will be returned to the agent for delivery. Members will have the convenience of paying for premiums on Diners Club statements. Agents will receive full commissions and renewals.

May Apply Through Agent

If a prospect is not a Diners Club member he may apply for membership through his agent and the club will pay a bonus for each membership application accepted.

The coverage is guaranteed renewable for every enrolled member of the family to age 75 and pays up to \$7,500 for each covered sickness.

Franklin Life Has Record First Quarter: Goal Is \$1 Billion Sales In '59

With nearly \$300 million of new sales in the first quarter, Franklin Life registered its best production record in history. Paid business was 38.7% ahead of 1958.

The company is celebrating its 75th anniversary. Highlighting the first of several events scheduled during the year, President C. E. Becker gave a dinner last week with James Reston, diplomatic editor and Washington bureau chief of the New York Times, as featured speaker. More than 150 state officials, bankers and leading Illinois business men were guests.

An objective of \$1 billion of new individual policy sales has been established by Franklin for 1959.

New business of Indianapolis Life increased 26% in the first quarter of 1959.

Whitbeck Describes Job Of Launching New Life Company

Why does a man leave his good position to start a new life company?

This was the question that Frank L. Whitbeck, president of Pioneer Western Life of Little Rock, answered at LIAMA's agency management conference in Chicago.

Four years ago he made up his mind that he had to start from scratch with a brand new life insurance company then, or forget it forever.

"I finally decided," he said, "that I would rather try and fail than never make the attempt at all in my lifetime."

How does a man form a new life insurance company? Mr. Whitbeck also answered this question as he explained how he organized Pioneer Western Life. He emphasized that the one thing he did have four years ago was a "plan of operation."

His first step, he said, was to raise money. He pointed out how different this is for an agency officer who had been used to spending money.

"I took my plan to strangers, not knowing what their reaction would be," he said. "It wasn't long until I discovered I had an idea that excited other people. While I had anticipated at the beginning it might take me six months to raise the sum of money that I wanted, my work was completed in less than six weeks."

Learned From Stock Sale

Mr. Whitbeck said that from the sale of stock in his company he learned many lessons.

"The biggest was that the prime objective of our training in the life insurance business should not be to make the salesman knowledgeable. Our real objective should be an attitude of friendliness and helpfulness, for on that level most life insurance sales are ultimately made. Premium or plan is of little consequence. Service which excites the buyer is everything."

"This may sound like a corny thing to say," Mr. Whitbeck said, "but the best thing I did right in 1958 was to change agency officers. I fired myself. In a small shop like mine it doesn't take long to understand that the most important man in the company is a good agency officer, if he's right. He's the worst thing to have around, if he's wrong."

"I'd like to say here and now that given good personnel in a life company, the least needed man around

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ON MDRT PROGRAM:

Big Opportunities For Sales Opened Up By '58 Code Change

The tremendous opportunities for the sale of life insurance opened up by the technical amendments act of 1958 will get the main emphasis Wednesday, June 24, during the annual meeting of the Million Dollar Round Table, according to Robert S. Albritton, Provident Mutual Life, Los Angeles, MDRT vice-chairman and program committee chairman.

The gathering is scheduled for June 21-25 at the Americana Hotel, Bal Harbour, adjacent to Miami.

The sessions Wednesday will deal with the option given by the act to sole proprietors and partners to elect "pseudo-corporate" status for tax purposes. This enables them to use the corporate dollar to buy business insurance and fringe benefits, whereas before the change in the law these things had to be bought with aftertax personal dollars.

Affects Estate Planning, Too

The change has important effects not merely on business insurance and fringe benefits but on estate planning as well.

The first Wednesday morning speakers will be William E. Murray, tax partner in the New York City law firm of Jackson, Nash, Brophy, Barringer & Brooks, and Don J. Summa, a CPA and member of the New York City accounting firm of Arthur Young & Co.

Mr. Murray is a member of the New York City Bar Assn.'s taxation committee, the American Bar Assn.'s committee on corporate stockholder relationships and the ABA liaison committee of the real estate, probate and trust law sections. He is a former tax trial attorney in the office of the chief counsel of the Internal Revenue Service and is the author of numerous law reviews and other articles. He is on the faculty of the Rutgers graduate school of banking, the trust new business school of the New York State Bankers Assn., and the Practising Law Institute of New York.

Summa Is Teacher, Author

Mr. Summa is on the Columbia University Graduate School of Business faculty and is active on committees of the New York State Society of

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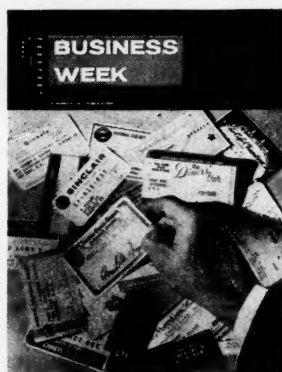
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Hullett Chairman Of Columbian National; He Succeeds Sears

President James C. Hullett of Hartford Fire has been elected chairman and a director of Columbian National Life. Directors elected Francis P. Sears, former chairman, to the newly created position of honorary chairman.

Columbian National became a member of the Hartford Fire group in February through acquisition by Hartford Fire of more than 98% of Columbian stock.

Stockholders of Columbian National also elected five other officers of Hartford group to vacancies on the Columbian board. They are Roland H. Lange, Barnard Flaxman and Philip S. Brown, vice-presidents; Manning W. Heard, vice-president and general counsel, and Harry K. Haag, vice-president and comptroller. Four Columbian directors were reelected, Julian D. Anthony, Columbian National president; Freder-

ick Ayer, a director of First National Bank of Boston; Francis P. Sears Jr., of Paine, Webber, Jackson & Curtis, Boston, and Theodore L. Storer, president of R. M. Bradley & Co., Boston.

Mr. Hullett also is chairman of the finance committee and a director of Hartford Fire, Hartford Accident, Hartford Live Stock and New York Underwriters. He is president and a director of Citizens of New Jersey and a director of London-Canada, affiliates of Hartford Fire. He is a vice-president and member of the executive committee of Hartford Better Business Bureau; a director of Dime Savings Bank of Hartford, Hartford Electric Light Co. and Connecticut Institute for the Blind, and a trustee of Connecticut Public Expenditure Council and Connecticut Bank & Trust Co. He served as president of National Board for two terms, 1956 through 1958.

Mr. Sears, one of the incorporators of Columbian National in 1902, has been closely associated with the company 57 years. He served successively as treasurer and vice-president and comptroller until his election as president in 1933, a post he held till 1947 when he was elected chairman.

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More Communication In Depth Needed In Next Decade: Nash

If the life insurance business is to further develop public awareness of its products in the next 10 years, it is going to have to provide more in the way of communication in depth, Chester C. Nash, director of the press division of Institute of Life Insurance, told the Eastern Round Table of Life Insurance Advertisers Assn. at New York.

Mr. Nash appeared on a communications panel, "Is Anybody Listening?" with William K. Paynter, director of advertising and public relations of Connecticut General, and Paul B. Cullen, manager of the information and education department of Aetna Life.

In his discussion of communications in the next decade, Mr. Nash said that an important fact the life business will have to face is that the need for communication in depth will increase—almost in direct proportion to the industry's increased acceptance.

He said, "If we are going to earn acceptance and develop awareness of

insurance, we must necessarily expect a great increase in requests for more information, more detailed figures, probably more comment on both our own individual problems and matters of current general interest. And the most certain way to nip in the bud this flowering of public acceptance is to close the door on these requests. 'Refused to comment' is the published response and a future discard to oblivion could be the end result.

Cities Press Example

"May I cite an example from the press to illustrate one element of what I mean? At the time of our annual meeting, the New York superintendent of insurance launched what sounded like an attack on the bank loan or minimum deposit plan. The AP looked up the Institute of Life Insurance and wanted some comment. Upon being told that this was an individual company problem, as all companies did not write it, the AP man said he knew that but, 'You have most of the company presidents here, don't you?' We tried, but nobody would talk."

In another case, Mr. Nash cited, a magazine gathered some material on the liberalization of underwriting rules and ran a story which listed the liberalization in covering diabetics and

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LIAMA STUDY OF NALU MEMBERS

25% Of Agents In Survey Feel It Is Getting Harder To Sell Life Insurance

HARTFORD—Field men covered in the first of a projected series of annual surveys of LIAMA are generally optimistic about the chances of earning a living selling life insurance but about one in four believe it will become more difficult in the next few years.

The survey was conducted among 1,442 NALU members. The questionnaire asked respondents to list the major developments in the industry, both beneficial and detrimental, that affect agents and the public. A modified version of LIAMA's inventory of job attitudes was completed by participants. Agents' attitudes about all-lines sales and life companies entering the casualty field were explored in some detail.

Reasons For Optimistic Attitude

The most often cited reasons for the optimistic attitude was increased public acceptance and awareness of life insurance, but there were many other reasons also given. Here are a few growth of the agent's own skill and ability; growth of agent's clientele; growth of U.S. population, national economy and public income; better agent and managerial training; more and better advertising.

Among those field men who think the future will find it more difficult to earn a living selling life insurance, over four out of 10 attribute it to the spread of group coverage and the large amount of group that an individual is allowed to own. This expansion of group seems to concern managers more than agents or supervisors, although agents with five or more years' experience are more concerned than less experienced agents.

Increased competition was also frequently cited as a factor in making selling life insurance more difficult.

Wide Variety Of Views

An interesting result of this survey was the wide variety of answers obtained when asked about developments which affect the agents and the public.

The family policy is the most controversial development of recent years, according to the survey. Four out of 10 agents responding mentioned the family policy as benefiting the public and 16% reported improper selling of this policy detrimental to the public. A very small percentage of the agents said the family policy was either beneficial or detrimental to the agents. They seem to feel that it affects the public directly rather than affecting the agents.

Next to the family policy the most often mentioned development of benefit to the public was better agent training, encouragement of CLU, LUTC, etc. Developments listed as harmful to the public, in addition to the family policy and the family policy improperly sold, were the extension of group coverage and higher group limits, and increased use of term and term riders.

Better agent training and encouragement of professional study were listed as developments in the best interest of life insurance agents. Extension of group coverage and higher group limits were included as those developments harmful to agents.

Improved training is often seen as the vehicle leading to professional status for life insurance salesmen and

is seen as a benefit to both agent and public. However, this improved training is cited more often as a development beneficial to agents by supervisors and agency heads than it is by the agents themselves.

One question was, "Besides life insurance, which of the following do you think a life insurance agent should be able to offer his client or prospects?" Eighty percent of the agents, 84% of the supervisors, and 78% of the managers answered "accident and sickness." Variable annuities was mentioned by 36% of the full-time agents and supervisors and 35% of the agency heads. Fire and casualty insurance were listed by more than a quarter of those responding. Only 14% of the agents thought that nothing but life insurance should be offered; 9% of the supervisors and 17% of the managers agreed.

No Change In Pattern Seen

There was no general expectation from the men in this survey that the next few years will find agents earning a lesser proportion of their incomes from other lines of insurance than they do now. Less than half of the respondents believe there will be more multiple-line activity.

Opinion is divided about equally between field people who would accept adoption of all-lines portfolios and those who would object to it. This is similar to the results of the recent LIAMA survey of public opinion, which found the public to be split about evenly between those who think

Gen. American Plan Tailored For Each Member Of Family

A Family Security Program offering protection for all members of a family while providing coverage specifically tailored to the needs of each individual has been introduced by General American Life.

Under the program, a father can select from individual life and A&S coverages the types and amounts of protection deemed best suited for himself, his wife and his children. Waiver of premiums, additional indemnity, guaranteed insurability, return of premiums, term insurance dividend option, and family income agreements are available in accordance with regular underwriting rules of the company.

Has Three New Features

The program has three new features:

1. Combined billing. Father can have the premiums on the separate policies in program combined on one periodic notice.

2. Payor's benefits for wife. Husband can elect a rider to provide that if he dies, premiums on his wife's policy will be waived for 20 years, to age 65, or for life.

3. Supplementary agreement on new-born children. This agreement, attached automatically to husband's policy of \$5000 or more, calls for consideration, within specified time and amount limits, of applications on new-born children without evidence of insurability, at regular premiums.

it is good for agents to offer all lines of insurance and those who want their agents to handle only life.

Attitudes toward the job, working conditions, and company and agency management seem to be favorable. The field men find their jobs interesting and feel a sense of accomplishment. Although agents seem to have some doubt about acceptance by the public, men in the business five or more years are more likely to think the public's attitude is favorable.

The field men think of their jobs as offering prestige in the eyes of their friends and families but a sizable number of them believe the caliber of life insurance agents is low.

There is considerable feeling among the respondents that companies place too much pressure on the field men for production, that volume is stressed above quality business, and that the companies are not doing all they could to reduce agent turnover.

Consistent with LIAMA job satisfaction survey findings, on items dealing with the manager, the less experienced men have more favorable attitudes than the more experienced agents.

Bills Designed To Broaden Group Base In New York Voted Down In Legislature

Two bills which would have broadened the base of group life coverage in New York state, and which have been strongly opposed by New York State Life Underwriters Assn., were killed in the closing rush of this session of the legislature.

Killed In Assembly

One bill, backed by the New York Department, would have legalized group life for self-employed members of associations such as doctors, lawyers, dentists, etc. It passed the senate and died in the assembly. The other bill, which would have authorized the placing of group life insurance for the employee and his entire family under the control of the employer, was voted down in the senate.

K. C. Life Pays Dividends Quarterly

Kansas City Life has switched from a semi-annual to a quarterly basis for payment of dividends, and has just paid \$2.50 for the first quarter.

one of the
best
and one of the
busiest

Comparable year-to-date figures continue to show that Central Life's sales consistently run well ahead of the life insurance industry as a whole. There are several reasons why this is so — and Central Life agents agree that an important one is *true graduated premium* on all plans (except single premium). The quantity discount idea, first introduced in the United States by Central Life in 1955, is another example of the sales-minded leadership that's making "One of the Best" one of the busiest, too!

Central Life

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ASSETS	\$165 Million
SURPLUS	\$13% Million
INSURANCE IN FORCE	\$550 Million

Arthur Coburn Retires After 50 Years In Life Insurance

Arthur Coburn, vice-president of Southwestern Life, has retired after more than 50 years in the life insurance business.

A native of Edinburgh, Scotland, Mr. Coburn entered life insurance at the age of 16 and became at the age of 20 one of the youngest Fellows of Scotland's Faculty of Actuaries. In the same year he was named an Associate

of the Institute of Actuaries of Great Britain.

In 1912 he accepted an invitation to join New York Life at its home office and after moving to New York City became an American citizen. Mr. Coburn later served as an assistant actuary of Northwestern Mutual Life and as vice-president of North American Reassurance.

He joined Southwestern Life as a vice-president and director in 1934. In recent years his primary responsibility has been in underwriting.

A nationally recognized actuarial

authority, Mr. Coburn was granted fellowships in both Actuarial Society of America and American Institute of Actuaries shortly after coming to the U.S. When the two groups were merged into Society of Actuaries, he automatically became a fellow of the new organization.

Mr. Coburn also has served as president of American Institute of Actuaries and is a member of the exclusive Senior Actuaries Club.

Last October, Mr. Coburn was stricken with an incapacitating illness from which he is now recuperating.

John H. Evans Named As LIAMA Company Relations Consultant

John H. Evans Jr., former regional supervisor in Omaha for the western division of Ohio National Life, has been appointed a consultant in LIAMA's company relations division.

Mr. Evans was an investment bond salesman for Halsey Stuart Co. in Chicago until 1954, when he entered the life insurance business there as an agent of Ohio National. He was named regional supervisor at Omaha in 1956.



John H. Evans Jr.

Cites Importance Of Magazines As Future Information Source

The history of our times is being, and will continue to be written on the pages of American magazines," Lloyd D. Partain, manager of trade and industry relations of Curtis Publishing Co., told the Eastern Round Table of Life Insurance Advertisers Assn.

Mr. Partain said, "Magazines, as a medium of communication, have had a history of keeping not only abreast of, but ahead of the actual happenings governing the ways by which people live, work and play. Magazines will continue to be the nation's most forceful source of information about the better things to be expected in an ever-increasing standard of living."

Watch Population Factors

Within the population make-up during the next 10 years, he said, there are factors which the magazine publisher and the insurance agent might do well to keep in mind. Some economists have suggested that the market for consumer goods may not grow as much relatively in the next decade as in the past one. The prediction is that the population increase will take place largely in the young and old age groups.

"Population data indicates," Mr. Partain said, "that the number of families headed by individuals between 30 and 45 years of age will decline between 1960 and 1970."

This situation is important in marketing goods and services, because one of the characteristics of the 30 to 45 age groups is that it is made up of heavy spenders, Mr. Partain noted.



When T.R. decided on a Presidential Policy he called The Man from Equitable

Many presidents have called The Man from Equitable for an insurance policy—Garfield, Harrison, McKinley, Wilson, F. D. Roosevelt. And famous people in other walks of life, too. This year, to celebrate its Hundredth Anniversary, Equitable has announced important changes in its insurance program. *Graded premiums*, for example. *Guaranteed insurability*.

Lower rates for women on larger size policies. Liberalized benefits. Broader protection. It's good news—and people from coast to coast are hearing about it on DOUGLAS EDWARDS WITH THE NEWS, over CBS-Television. They're learning that the *best* policy is to call The Man from Equitable. No wonder so many top life underwriters enjoy being The Man from Equitable!



Living Insurance from EQUITABLE

The Equitable Life Assurance Society of the United States ©1959

Home Office: 393 Seventh Avenue, New York 1, N.Y.

Levering Cartwright INSURANCE STOCKS

Life-Fire-Casualty

Cartwright, Valleau & Co.

Members Midwest Stock Exchange

Board of Trade Building

Chicago 4, Illinois

WAbash 2-2535 Teletype CG1475

You may telephone orders collect.

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Ornithopter designed by Leonardo da Vinci (1452-1519). Many of da Vinci's studies in aerodynamics have since proved to be sound.

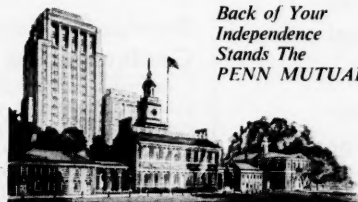


Going Up

THE LEADERS AMONG MEN have always reached for new heights. Men who are reaching for new heights in the insurance world find an ideal climate at The Penn Mutual. Because we believe firmly that *Penn Mutual opportunities should go to Penn Mutual men*, we provide a comprehensive program for the underwriter interested in getting ahead.

The Penn Mutual's intensive training and educational programs equip the underwriter for all phases of successful selling—from advanced underwriting to estate planning and pension and profit-sharing plans. Many opportunities are provided for those who wish to go into sales supervisory, management or General Agency work.

Whatever your particular choice, you can be sure that The Penn Mutual will do everything in its power to help you upward toward success—because we know that your success is our success, your future is ours.



Back of Your
Independence
Stands The
PENN MUTUAL

THE PENN MUTUAL LIFE INSURANCE COMPANY • INDEPENDENCE SQUARE • PHILADELPHIA

SECURITY OF DENVER

helps speed production . . .

increase earnings with



* Security's Planned Agency Development

"Security's Planned Agency Development" program gives:

Development programs for career agents and agency managers with emphasis on the "how." Field-tested visual and audio-visual aids. Contracts with high reward for quality production. Up-to-date policies such as LIPOA* for today's buyer.

...and much more!

Security Life and Accident Company, with over \$600,000,000 insurance in force offers quality plans in Life, Accident and Sickness, and Group.

*LIPOA means Life Insurance Purchase Option Agreement or "Guaranteed Insurability"

Stuart C. Farris, C.L.U.
Agency
Vice-President

Security Life & Accident
Company
SECURITY LIFE BUILDING • DENVER 2 COLORADO

LAA EASTERN ROUND TABLE:

Says Some Changes Are Necessary In Direct Mail Approach

The direct mail approach as it has been used in the life insurance business has been rewarding and profitable, but not altogether satisfying, Robert F. DeLay, president of Direct Mail Advertising Assn., told the Eastern Round Table of Life Insurance Advertisers Assn. at New York.

Mr. DeLay, who had previously asked veterans in the direct mail industry to comment on the future of direct mail in the next 10 years, said they agreed that it will become more personalized, more professional and will have fewer free or trial offers. They also predicted a tremendous advance in testing, closer cooperation between direct mail users and a sharp upgrading of list qualification, an area in which these experts feel the greatest waste exists.

The Effect Of These Changes

Commenting on the effect of these changes on the life insurance field, Mr. DeLay said that most life advertisers have used salesmen's lists and that many of the mailings offer an item, such as a pencil or cardholder, which, although it may have some utilitarian value, is only another foot-in-the-door approach.

He recommended that mailings be more educational to pre-condition audiences about a product or service. Noting that most life insurance prospects and clients are poorly informed, he said, "Most any life policyholder knows a considerable amount about the TV set, automobile, stocks and bonds that he owns. But ask him about his life insurance policies. He not only

can't tell you how much coverage he has, he usually isn't absolutely sure where all his policies are.

"It appears as though everyone in the insurance field has gone to the same school—at least promotion-wise," Mr. DeLay said. The professional touch which direct mail can use in more abundance will be supplied by more creative thinking, and probably by external agencies rather than internal departments. He added that eventually the obstacles between advertising agencies and direct mail will be overcome and agencies will lend creative skill to the direct mail advertising of their clients.

Mr. DeLay recommended more and better testing to make the total direct mail effort more economical and more productive. He said that in most cases life companies do not know what has happened to a mailing piece in the hands of a prospect who does not reply to it. He suggested more depth testing for readership to overcome this industry blindspot.

Concerning list qualifications, Mr. DeLay said that one problem with life agents is that they are inclined to remove a name from the direct mail list simply because they have at one time received a response and have called on the prospect. This, he said, is where the advantage of educational mailings is particularly noticeable.

Oates To Be Luncheon Speaker At New York City CLU Estate Planners Day

James F. Oates, chairman and president of Equitable Society, will be the luncheon speaker at the estate planners day of the New York City chapter of American Society of CLU at the Hotel New Yorker, April 29.

The all-day meeting will consist of a panel discussion, during which the moderator, E. D. Badgley, director of the special service division of Equitable Society, will quiz panel members on 10-year payment of federal estate taxes, pseudo corporations, annuities for employees of charitable organizations, contingent life insurance trusts, gifts, close corporation recapitalizations, deferred compensation and stock redemption plans.

Panel members are Benjamin Grum, partner of Seidman & Seidman, certified public accountants; William E. Murray, tax partner of Jackson, Nash, Brophy, Barringer & Brooks; Harry Phillips III, Penn Mutual, and James C. Waide, trust officer of Long Island Trust Co., Garden City, N. Y.

Brower To Hold Press Conference In Chicago

A press conference will be held by Horace Brower, president of Occidental Life of California, April 13 at the Chicago press Club. A statement issued on behalf of the company explains: "Besides answering questions on Occidental's recent involvement in the Washington hearings of the McClellan committee, Mr. Brower wants to point up several Chicago angles and to correct a number of errors in hearing testimony."

National American Life Reaches \$100 Million

National American Life of Baton Rouge has attained \$100,235,308 of insurance in force after less than three years of operations. Founded in 1955, the company began operation the following year and by the end of 1958 had business in force totaling \$11 million.

...and dandy group insurance coverage, too!



Reproduced through the courtesy of Box Cards, Inc.

Life Insurance in Force
Over \$1,500,000,000.

Life and Casualty offers to brokers a complete line of group coverages, including Major Medical, Creditor Group Life, Bantam Group for the smaller cases, and all the other usual group coverages.

Why not drop a line to our Group Insurance Director for full information or for a proposal on your next case.

Life and Casualty
Insurance Company of Tennessee

HOME OFFICE
NASHVILLE

Economy Outlook Good, ALC Hears

Continued upward movement in 1959 in most major sections of the economy was predicted by Perry S. Bower, vice-president and treasurer Great-West Life, at the regional meeting at Houston of American Life Convention.

Mr. Bower, who is chairman of the ALC financial section, attributed the 1957-58 recession to a decline in investments and liquidation of inventory, and the recovery to a combination of increases in consumer purchases, the end of inventory liquidation, strong governmental spending, and heavy housing construction volume. As a measure of the expansion of the economy, he pointed to the gross national product which reached \$455 billion at the end of this year. The first stages of recovery are probably completed and the nation is well into a period of tight money.

He said that probably the excess productive capacity will be more fully used and unemployment will shrink. At this point industry begins to think about expansion and the danger of inflation begins to appear.

"On the one hand lies the path of, perhaps, much higher interest rates and the accompanying political repercussions and demands that the Federal Reserve must not be permitted to force upon the economy the product of so increasing a burden. On the other hand lies the alternative—the relatively easy, but disastrous path of inflation," he declared.

Mr. Bower foresaw a heightening struggle between inflationary and anti-inflationary forces in the next 12 months. The Federal Reserve policy of "leaning against the wind," which at the moment appears to many people too tight, could seem insupportable if business conditions improve rapidly.

Barring another war, there seems to be little reason to discount enthusiasm, Mr. Bower said. However, he cautioned that the economy is much less liquid than at the beginning of other periods of expansion. "Unless the banking system acquires additional resources in the form of further reserves from the Federal Reserve, it would seem logical to assume that decreasing liquidity will tend to create additional pressures on the interest rate structure in the ensuing months."

Horton Succeeded By Wilson As President Of Cosmopolitan Life

Robert H. Horton has resigned as president of Cosmopolitan Life of Memphis and is succeeded by David Wilson, chairman.

Government Employees Declares Stock Dividend

The directors of Government Employees Corp. declared a 4% stock dividend on capital stock payable May 8 to stockholders of record April 13. In lieu of issuing fractional shares, the dividend stock underlying the total of all fractions will be sold at the prevailing market price and net proceeds distributed ratably to entitled stockholders.

The directors also increased the an-

nual cash dividend on common stock from 70 cents to 80 cents per share and declared a semi-annual cash dividend of 40 cents per share payable May 25 to stockholders of record May 11.

Record Month For Equitable Of Ia.

The March president's month campaign of Equitable Life of Iowa produced \$20,272,732 of new paid ordinary, the greatest single month's production in history. New paid business during the first three months of 1959 was \$47,124,399, a gain of 7%.

Leith Heads Peoples Life Of Washington

William T. Leith, former executive vice-president and counsel of Peoples Life of Washington, has been elected president to succeed Samuel W. Hauser. Mr. Hauser, who has been president for 15 years, was named chairman of the executive committee and the finance committee.

Mr. Leith's father, the late Fenton F. Leith, was president of Peoples Life before his death in 1943.

The Continental-National Group *Announces* Home-Guard

Fire Insurance... Disability Income... Life Insurance

All Wrapped Up in One Complete Package—
On an Easy-to-Pay Single Monthly Premium Basis

Now independent agents are placed in a position to sell homeowners a new concept in home protection... all needed coverages in one package: (1) fire insurance in any desired form; (2) mortgage disability income insurance; (3) mortgage cancellation life insurance. *The total cost is payable in single, low monthly installment premiums.*

Three great companies have combined their

resources to make possible this broad concept in protection. To the homeowner, it means an end to a complexity of policies with uncoordinated renewal dates... and relief from the burden of annual fire premiums.

To you, Home-Guard provides a means to solidify your present business by removing it from competitive pressures.

Full details will be sent on request

Continental National GROUP

Contact any general agent or branch of Continental Assurance Company, or any representative or branch of Continental Casualty Company, or any representative of the National of Hartford, or write—

Home-Guard Department
CONTINENTAL ASSURANCE COMPANY
310 South Michigan Avenue
Chicago 4, Illinois

ATT.: Life & Disabil. Co.'s

Looking for an extra \$10,000,000 in life business for '59?

My client has 28 successful years of agency and direct-mail operations: is well financed and can develop any program undertaken. They are interested in adding to their line a non-occupational accidental death only policy to be sold BY MAIL and by agents via their current extensive network TV and radio campaigns in approved areas. Client will also write company's full line of L & D Policies. Very large volume anticipated. My client will pay 100% of initial printing expense for the desired policy. My client will deal direct with interested company licensed in California and other states.

Leonard Cohen, Atty.
139 S. Beverly Dr.
Beverly Hills, Cal.
BR 2-7833

Thomson's 'Shape Of Things To Come' Talk Keynotes Eastern Round Table

Andrew H. Thomson, vice-president of New York Life, in his keynote address, "The Shape of Things to Come," at the Eastern Round Table meeting of Life Insurance Advertisers Assn. at New York, predicted many changes for the life insurance industry in the coming decade.

Admitting that he was not equipped with any form of precognition, Mr.

Thomson said, "The best I shall be able to do is come up with some guesses. Naturally, my company cannot afford to sponsor me in these remarks. These statements represent my humble opinion and not necessarily those of my sponsors."

An abbreviated version of his forecasts follows:

For insurance company operations:

"We are going to have to accelerate our use of modern electronic innovations to save costs and to release personnel to do those things a machine can't.

"Costs are rising—our margin per unit of insurance becomes less as the average premium decreases. Hence we need either more units or a higher average premium per unit.

"With electronic billing, the day may come when all insurance remittances for a family will be made monthly as one billing. The insured's monthly premium advice might re-

semble a department store bill with accumulated dividends and current cash values thereon. With medical progress in life-extending methods and medicines, there will be a trend toward even more liberal underwriting.

Form Simplification

"Simplified forms will be used for home office and field alike. The day may very well come when a medical exam and an application will be completed by filling in blocks in magnetic ink—so an electronic machine can issue the policy."

For the traditional separation of life and property insurance: "Today, many a general insurance company is adding a life line. A few—but only a very few—life companies are adding the general casualty line. But with casualty companies eyeing the life line today, eventually some large life companies may feel they will be forced to embrace the full multiple line to protect their life insurance market.

"Should the large life companies ever enter the casualty field, they will revolutionize it. Their compensation approach and electronic mass methods would cut costs. They will expose the American fire-auto-casualty insurance buyer to the direct solicitation methods we know so well, and save the policyholder money and make it easier for him to buy.

Future Of Variable Annuities

For life insurance products: "Some companies will issue a form of the variable annuity to compete against the mutual funds—a most controversial subject.

"Despite the threat of increased government participation, I look for greatly increased sales in the future in the income disability field. The future may bring us one packaged contract combining life and all A&S coverages.

"I do not see group cutting into the ordinary market to the degree many agents have feared. I believe there should be a top limit on group, to protect the basic purpose for which group life coverages were originally established.

For merchandising methods: "The great merchandising of the future, I think, will be done by keying our business to the monthly payment concept, by check off and by the pre-authorized check.

Agents Commissions Annualized

"Agent commissions of the future will, I'm sure, be annualized, if for no other reason than to cut costs.

"My sole concern for the agent of the future is the fear that he will not open enough new accounts. Today he seems to be getting more and more from fewer and fewer prospects.

"We are part of an expanding economy—a growth industry. America's population will rise, its national product will increase and those two things guarantee a good life insurance business if we keep selling.

"In years past, I suspect that we in the promotional and advertising side of our business, as members of LAA, have been a little ingrown. But in recent years, I think we have become less stuffy—more realistic—we have gotten closer to the times. But most of all, we are closer than we have ever been to the selling operation itself. We are a people business—we live with people, we get results through people.

February was Occidental Life of California's biggest individual month, with life production of \$125,432,035 and represents an increase of 36% over February of 1958.

BROKERS! THINKING OF A & H? THEN THINK OF US



Brokers can now fully satisfy their clients' needs for A & H protection through Great-West's three great new series of plans featuring non-cancellable and guaranteed continuable contracts.

THE
GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE - WINNIPEG, CANADA



QUALITY

IS POWER

in Accident and Sickness Sales

In Accident and Sickness selling, it's *quality* that makes the difference!

In this period of rapid growth, Paul Revere has retained its record of *quality* . . . which springs from every phase of its operation.

And because "insistence on *quality*" has always been a Paul Revere characteristic, never has the Company been willing to sacrifice true *quality* for *quantity's* sake alone.

Moreover from *quality* comes *quantity*. And that is why Paul Revere has enjoyed a continuous healthy growth year in and year out. It's another reason why career underwriters are attracted to Paul Revere as the kind of company in which they can build a sound and permanently profitable future.

THE PAUL REVERE LIFE INSURANCE COMPANY

Non-cancellable Accident and Sickness, Hospitalization,
Major Medical, Life and Group Insurance

WORCESTER
MASSACHUSETTS

Canadian Head Office, Hamilton, Ontario

It's N.T.L.'S Different Approach THAT AGENTS LIKE

THE TREASURE CHEST...

Fun! You bet! Hidden gold unearthed for National Travelers Life agents and their families. Once the key was found the mystery was solved. Just another Agent Incentive Program that makes it fun to represent National Travelers Life.



ORIGINAL NATIONAL TRAVELERS LIFE AGENT PARTICIPATING PROGRAM

MAN-OF-THE-MONTH . . .
Agents and wives share in the honor.

HOME PHOTO AWARDS . . .
Public votes determine the winners.

TURKEY DOLLARS . . .
Turkeys are the goal—DOLLARS the prize!

SANTA'S GRAB BAG . . .
Gifts for mother, father and the children, too!

PHOTO CONTEST . . .
Proud parents participate in boy and girl photo contest.

BIRTHDAY FILE . . .
A helpful aid to remember birthdays.

FOR THE "DIFFERENT APPROACH"
WRITE CARL F. WOODMANSEE, V. P.



NOT THE LARGEST — BUT THE BEST FOR YOU!

National Travelers LIFE CO.

DES MOINES, IOWA • ARLEY F. HANSON, Pres.

new developments in
TEXTILES
mean a more productive South

New fibers have brought dramatic developments in the field of textiles—wrinkle-proof garments, clothes that require no ironing, new hues and textures, longer wear. Today, 52 per cent of the nation's textile production is situated in the South.



**LIFE INSURANCE
COMPANY
OF GEORGIA**
SERVING THIS FAST-GROWING
REGION SINCE 1891

Conventions

- April 13-15, LOMA automation forum, Drake Hotel, Chicago.
- April 16-17, Life Insurance Advertisers Assn., north central round table, Netherland Hilton Hotel, Cincinnati.
- April 20-22, LIAMA, A&S meeting, Edgewater Beach Hotel, Chicago.
- April 29-May 1, Zone 5 of NAIC, Arlington Hotel, Hot Springs, Ark.
- May 1-2, Assn. of Advanced Life Underwriters, annual, Shoreham Hotel, Washington, D. C.
- May 3-5, Zone 3 of NAIC, Sheraton-Seelbach Hotel, Louisville.
- May 4-6, Health Insurance Assn., annual, Bellevue-Stratford Hotel, Philadelphia.
- May 5-8, Interamerican Conference of Life Underwriters, annual, Havana Hilton Hotel, Havana.
- May 6-8, LIAMA, combination companies conference, Roosevelt Hotel, New York.
- May 7-8, Ohio Assn. of Life Underwriters, annual, Miami Hotel, Dayton.
- May 10-12, Life Insurance Advertisers Assn., southern round table, Dinkler Plaza Hotel, Atlanta.
- May 10-13, LIAMA, agency officers round table, Homestead, Hot Springs, Va.
- May 11-13, Home Office Life Underwriters Assn., Edgewater Beach Hotel, Chicago.
- May 15, Illinois Assn. of Life Underwriters, annual, Hotel Leland, Springfield.
- May 15, New York State Assn. of Life Underwriters, spring delegate, Astor Hotel, New York.
- May 18-20, Insurance Accounting and Statistical Assn., annual, Ambassador Hotel, Atlantic City.
- May 21-22, Pennsylvania Life Underwriters Assn., annual, York.
- May 24-26, Western round table of Life Advertisers Assn., Ambassador Hotel, Los Angeles.
- May 25-26, Assn. of Life Insurance Counsel, annual, Greenbrier, White Sulphur Springs, W. Va.
- June 3, Fraternal Actuarial Assn., spring meeting, Atlanta Biltmore, Atlanta.
- June 4-5, Society of Actuaries, regional, Atlanta Biltmore Hotel, Atlanta.
- June 8-12, NAIC, annual, Statler Hotel, Boston.
- June 10-13, Florida Life Underwriters Assn., annual, Robert Meyer Hotel, Jacksonville.
- June 11-12, Society of Actuaries, western meeting, Fairmont and Mark Hopkins Hotels, San Francisco.
- June 11-13, ALC medical section, The Homestead, Hot Springs, Va.
- June 14-17, International Assn. of A&H Underwriters, annual, French Lick-Sheraton, French Lick, Ind.
- June 15-26, ALC life officers investment seminar, Beloit College, Beloit, Wis.
- June 18-20, Life Insurers Conference, annual, Greenbrier, White Sulphur Springs, W. Va.
- June 19-20, Alabama Life Underwriters Assn., annual, Houston Hotel, Decatur.
- June 21-25, Million Dollar Round Table, annual, Americana Hotel, Miami Beach.
- June 28-July 1, Consumer Credit Insurance Assn., Desert Inn, Las Vegas.
- June 30-July 2, International Assn. of Insurance Counsel, annual, Banff Springs Hotel, Banff, Alberta, Canada.
- July 23-25, National Assn. of Life Companies, Inc., annual, Castle in the Clouds, Chattanooga.
- Aug. 31-Sept. 2, International Federation of Commercial Travelers Insurance Organizations, annual, Broadmoor Hotel, Colorado Springs.
- Sept. 1-4, National Insurance Assn., annual, Sherman Hotel, Chicago.
- Sept. 11-12, Southwest Management Conference, Statler Hotel, Dallas.
- Sept. 20-23, National Fraternal Congress of America, annual, Sheraton Hotel, Philadelphia.
- Sept. 20-25, National Assn. of Life Underwriters, annual, Bellevue-Stratford Hotel, Philadelphia.
- Sept. 21, Fraternal Actuarial Assn., annual, Sheraton Hotel, Philadelphia.
- Sept. 27-30, International Claim Assn., annual, Americana Hotel, Miami Beach.
- Sept. 28-30, Life Office Management Assn., annual, Edgewater Beach Hotel, Chicago.
- Oct. 12-13, Conference of Actuaries in Public Practice, annual, Drake Hotel, Chicago.
- Oct. 12-16, American Life Convention, annual, Edgewater Beach Hotel, Chicago.
- Oct. 26-28, Life Advertisers Assn., annual, Drake Hotel, Chicago.
- Oct. 28-30, Institute of Home Office Underwriters, annual, Statler Hotel, St. Louis.
- Oct. 29-31, Mid-West Management Conference, annual, French Lick Springs Hotel, French Lick, Ind.
- Nov. 9-11, Society of Actuaries, annual, Greenbrier, White Sulphur Springs, W. Va.
- Nov. 9-13, LIAMA, annual, Queen Elizabeth Hotel, Montreal.
- Nov. 16-18, Health Insurance Assn., individual insurance forum, Biltmore Hotel, New York.
- Dec. 8, Institute of Life Insurance, annual, Waldorf-Astoria Hotel, New York.
- Dec. 9-10, Life Insurance Assn. of America, annual, Waldorf-Astoria, New York.
- Dec. 27-30, American Assn. of University Teachers of Insurance, annual, Washington, D. C.

Ohio Natl. Agency Trade Publication Ad Wins Award

The Perry-Brown agency of Cincinnati of Ohio National Life won first place in trade publication advertising competition sponsored by Mutual Advertising Agency Network.

The award was given for a series of full-color, 2-page inserts, and Ohio National believes this use of process-color advertising in trade publications to be a first in the life industry.

READY TO
STEP UP?

BE A
GENERAL AGENT

YOU may be the man qualified in Life and Accident and Sickness Insurance who is ready to step up to the General Agent level.

Old Line Life offers such a man Agency Building opportunities... You'll receive the sales material, plans, commissions, assistance and know-how you need to do the job successfully.

Act now — write for full details. Learn what we can do to make your step a rewarding one —

For full details write F. D. GUYNN, VP and Director of Agencies. Dept. N-4.

openings

IN CALIFORNIA, FLORIDA, ILLINOIS,
INDIANA, IOWA, MICHIGAN, MINNE-
SOTA, OHIO, SOUTH DAKOTA,
WISCONSIN

The
OLD LINE LIFE

INSURANCE COMPANY OF AMERICA
HOME OFFICE: MILWAUKEE

Outlines Future Of Audio-Visual Aids In Life Business

Simplification of the audio-visual aid approach both in recruiting and sales is the trend for the next decade, William F. Koch, vice-president of H. D. Rose & Co., creators and producers of visual aids, told the Eastern Round Table of Life Insurance Advertisers Assn. in New York.

Mr. Koch said that the tendency in the past for flip charts has been to use not only illustrative material but to pack the charts with so much text that the client's attention is distracted from the sales presentation. The client tends to run ahead of the agent in his reading, thus missing the important points of the presentation.

Mr. Koch cited one case, not in the life insurance field, where the approach had been simplified to get full control of the presentation back in the salesman's hands. In this presentation, called the mnemonic presentation, only illustrations are used and the text is reduced to a key word or none at all. The almost cryptic picture-message on the flip chart, which serves as a visual cue for the salesman, therefore, must be interpreted, a fact which keeps salesmen in control of the presentation at all times.

Sound Slide Films

In the field of sound slide films, Mr. Koch said the trend was more and more to portability, so that the audio-visual aid can be conveniently carried right into the client's home office. One transistorized projector, he said, complete with sound, is now available in a package the size of an attache case. The presentation here can be set up and ready to roll in only 20 seconds.

Mr. Koch reminded his audience about the importance of using audio-visual aids, and said, "When you are in command of the eyes and ears of a prospect you are in command of 94% of his learning and retaining equipment, since we all learn and receive information through our five senses. We learn 1% through the sense of taste, 1½% through touch, 3½% through smell, 11% through hearing and 83% through sight."

"Research tells us that we retain 50% of what we hear and see. Therefore, when you are in charge of a person's eyes and ears, you are on the high road to his mind."

As for predictions concerning the



Honored with a dinner and reception at the Savoy-Hilton Hotel in New York are retiring directors of Equitable Society, Russell B. Lowe, left, and William J. Graham, right, posing here with James F. Oates Jr., president. Messrs. Lowe and Graham were named directors-emeritus and presented with engrossed scrolls.

future of audio-visual aids, Mr. Koch said it wasn't so much a matter of what is new in the field, if by that is meant how can audio-visual aids be made distinctive. The important thing is to make effective use of the existing equipment through well planned scripts, supported by good art work

LIAMA Move To New Quarters Is Completed

LIAMA has moved to new quarters at 170 Sigourney Street, Hartford. The association will lease about two-thirds of the space in the new three-story building.

Howard H. Becker, assistant secretary of LIAMA, is chairman of the office committee concerned with the move, and Raymond W. Simpkin, agency vice-president of Connecticut Mutual, is chairman of the building committee of company personnel which assisted the staff.

The new headquarters is air-conditioned with movable partitions and a conference room which will house some of the association's schools for managers and home office people.

and photography that will augment or enhance the script and make the message more memorable to the prospect.

During his discussion Mr. Koch used sound slide films on both sales and recruiting which were produced for National Life of Vermont.

Midland Mutual Has New Line Of A&S

Midland Mutual Life is offering a new line of non-cancellable, guaranteed renewable A&S disability income policies.

The series consists of ten plans, seven for men and three for career women. Benefit periods provided range from five years' accident only coverage to a plan affording lifetime accident protection and sickness income benefits to age 65.

In addition to the basic benefits for total disability, accidental D&D coverage is offered as an optional feature in all policies and optional partial disability benefits in case of accident are available in six of the plans.

New Insurer Chartered In N. C. To Write Credit A&S

Franks Accident & Health of Greensboro, has been chartered to write credit A&S in North Carolina. The company has authorized capital of 30,000 shares of \$10 par stock. The incorporators are connected with Franks Finance Co.

You'll enjoy "THE TWENTIETH CENTURY," Sundays, CBS-TV



The pioneers had no insurance—but insurance had pioneers

And among the earliest of these insurance pioneers was Prudential. Established in 1875, it has consistently been in the insurance forefront; constantly developing new programs; continually striving to meet all the insurance needs of the people.

This forward-looking attitude has made Prudential synonymous with "insurance". And this public acceptance of Prudential has made all our efforts worthwhile.



The Prudential

INSURANCE COMPANY OF AMERICA

LIFE INSURANCE • ANNUITIES • SICKNESS & ACCIDENT PROTECTION • GROUP INSURANCE • GROUP PENSIONS

A & H UNDERWRITING SUPERVISORS \$7,500 - \$10,000

A large number of our Company clients are currently expanding their A & H (Individual) Departments. In other situations, established Life Companies are adding Accident-Health facilities. The positions listed below are recommended highly because of unusually attractive salaries offered plus tangible rapid position improvement.

Employers' specifications: age range twenty-five-forty, college background helpful (not mandatory) and a minimum of five years Individual Underwriting. Any additional background in Life Underwriting very helpful. Areas with best openings—Middle West, Eastern and Southern States. Employers will pay 100% of moving expenses and service charge for men with qualifications listed above.

A postal card will bring "HOW WE OPERATE." No obligation to register.

FERGASON PERSONNEL

INSURANCE PERSONNEL EXCLUSIVELY
330 S. Wells Chicago 6, Illinois
Harrison 7-9040

Green Stamp Insurance Pays First Death Claim

The P-I-P people of St. Louis, who are selling life insurance on the green stamp plan, have issued a press release announcing the payment of their first claim, a \$1,000 death benefit on a cancer victim.

Accumulated Five Policies

The deceased and his widow, knowing of his cancer history, concentrated their purchases in stores offering the life insurance green stamps, and ac-

cumulated five \$200 policies before the insured died.

The P-I-P release states that green stamp life insurance is having great success and that redemption of stamps is up by 100% per day over levels recorded at the end of the first 60 days, while merchants are offering documented testimonials of gains ranging from 15% all the way to 50% or even 66% of volume since they introduced this new type of green stamp.

March sales of **General American Life** amounted to \$16,860,613, up 8.7%.

Western Life Issues Non-Can A&S Policy

Western Life of Montana, a newcomer to the A&S field, has issued a non-cancellable, guaranteed renewable policy in force to age 65 for men and to age 60 for women.

Features of the policy include a waiver of premium clause and a recurrent disability clause. The policy is incontestable after it has been in force two continuous years and there is no house confining clause for sickness. Total and partial disability is

provided in case of accident. Independent and professional type plans cover partial disability for sickness. Rates are competitive.

Policies are issued to men for from one year to lifetime in the event of accident and from one to 10 years for sickness. Women are provided one to two years coverage for both accident and sickness.

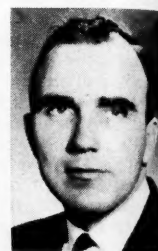
John C. Davey Is Named Canadian V-P

John C. Davey has been elected vice-president and general manager for Can-

ada for Paul Revere Life to succeed W. Douglas Bell, who recently resigned.

Mr. Davey entered the insurance business with Aetna Life in Montreal, and then joined Great-West Life as a member of its home office staff with duties in the A&S field. In 1955 he was named manager at St. Catharines, and last year became manager at Toronto.

Mr. Davey will have his headquarters in Hamilton, Ont., site of Paul Revere's Canadian home office. He will be assisted by Eric H. Evans, former supervisor at Athol, Mass., who has been named supervisor of Canadian agencies.



John C. Davey

Army Adds Five To Insurance Blacklist

Five companies have been barred by the army from soliciting business on its posts because they sent parents of draftees "official-appearing" sales letters.

Companies involved are American Trust Life; American Life of Ala.; Continental Fidelity Life; Mountain States Life, and Reliance Life of Ga. Another company so mentioned, American Investors Life, was already on the Defense Department's blacklist.

Although originally blacklisted, Service Life of Ft. Worth has been restored to the army's approved insurance list because it agreed to stop using this "objectionable scheme."

Rider Offers Guaranteed Coverage On Children

Lutheran Mutual Life is offering guaranteed insurance on future children in the form of a rider on an adult policy. Known as the Juvenile Purchase Option Agreement, the rider guarantees insurance may be purchased on newborn children regardless of health and without evidence of insurability between the 15th day and third month after birth.

The child may be insured for \$1,000 for each \$5,000 on parent. Maximum amount obtainable on child is \$3,000.

2,200 Prudential District Leaders To Attend Florida Conferences

More than 2,200 Prudential district sales leaders from five eastern states are scheduled to attend the Leaders Club conferences at Palm Beach, Miami Beach and Hollywood-by-the-Sea. Attendance is based on sales achievements.

The first conference of five will be held April 5-8, the last May 27-30. Command from the home office will be Louis R. Menagh Jr., executive vice-president, and Paul B. Palmer, vice-president in charge of district agencies.



JOHN F. MUNCH, CHIEF LIFE UNDERWRITER, SEMINAR DIRECTOR, AMERICAN UNITED LIFE INSURANCE COMPANY, PRESIDING

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ALL ORDINARY LIFE FORMS-FLEXIBLE OPTIONS-LOW NET COST SPECIALS-UNIQUE JUVENILE-GROUP INSURANCE-GROUP RETIREMENT-PENSION TRUSTS-NON-CANCELABLE DISABILITY-GUARANTEED RENEWABLE MAJOR MEDICAL-GUARANTEED RENEWABLE HOSPITAL & SURGICAL-SPECIALISTS IN SUBSTANDARD UNDERWRITING & REINSURANCE

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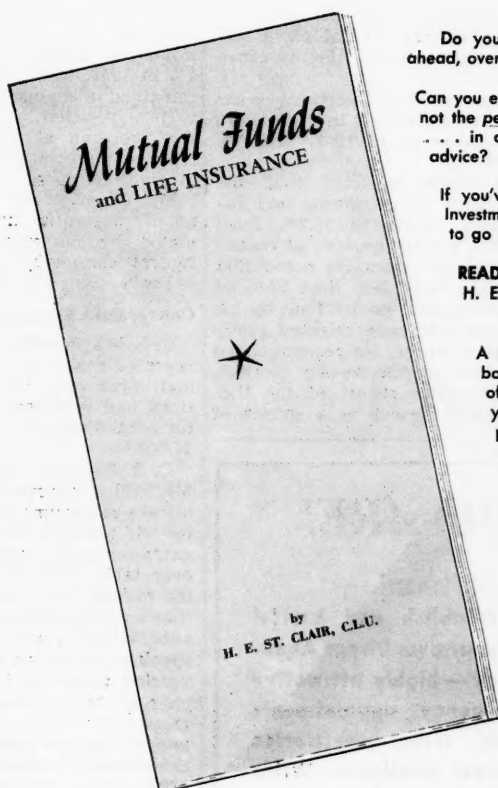
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does it **STOP** you
when a prospect asks

"What about Mutual Funds?"



MANY USES!

Use it to

- ... inform and qualify yourself
- ... prove what you say
- ... make prospects think
- ... work for you and for life insurance between interviews

Do you have the knowledge and facts to GO ahead, override the objection and make a sale?

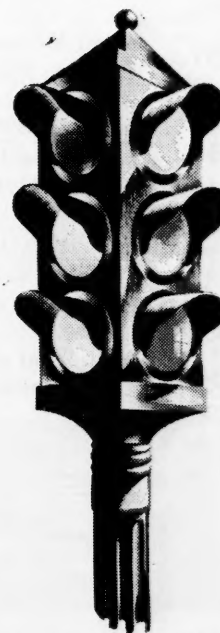
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If you've had to sit idly by while securities of Investment Companies grab dollars that ought to go into life insurance, then here's good news!

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A little thoughtful study of the essential facts in this 51-page, pocket-size booklet will enable you to take the bull by the horns every time the question of Investment Company Shares comes up. It gives you the vital information you need about Investment Company Securities and their proper place in personal and family finance. It will equip you to show your prospects the *other* side of the picture — the side shares-salesmen rarely show.

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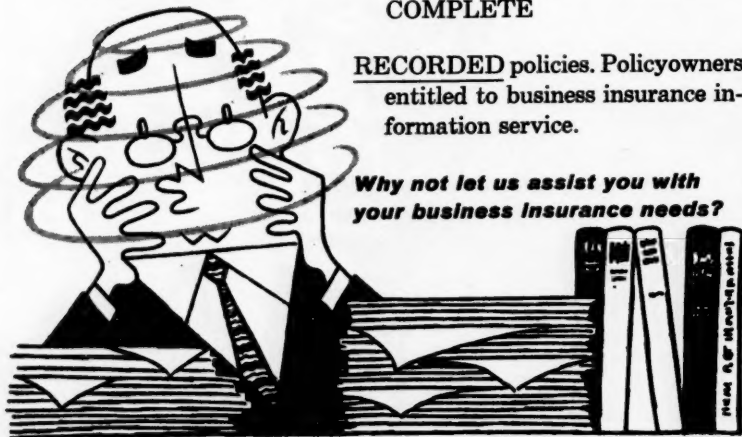
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THE DIAMOND LIFE BULLETINS

Department of THE NATIONAL UNDERWRITER CO.
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Less Liberality In Major Medical Noted

(CONTINUED FROM PAGE 1)

that inclusion of a pre-existing limitation for future entrants adequately protects the employer against adverse selection by new employees with unhealthy dependents.

Mr. Thaler, Mr. Moran, and B. E. Burton, Aetna Life, said their companies had noted continuing interest in the comprehensive types of major medical. Mr. Thaler reported that smaller employers and those on the west coast show the greatest preference for comprehensive plans. Mr. Moran commented that more employers are adopting plans now with deductible amounts and coinsurance applicable to all charges and that a number of plans with full first-dollar coverage are being shifted to this basis at renewal.

Required If Under 50 Lives

Mr. Burton reported that 44% of all sales to groups of more than 50 lives in recent months were on the comprehensive basis and that his company required this basis for groups below 50 lives.

R. R. Anderson, Prudential, and J. C. Archibald, Bankers Life of Iowa, reported on recent group life insurance mortality.

Mr. Anderson said mortality costs per \$1,000 of insurance in 1958 were about the same as in 1957, and 4% above 1956.

Mr. Archibald reported that the ratio of claims to premiums had increased from 52.3% to 58.7% from 1954 to 1958, mainly because of reductions in premium rates. He noted that mortality has been less than 35% of CSO on the special pool set up by his company for medically selected group permanent coverage. He recommended that actuaries use the weekly morbidity and mortality report of the U.S. Public Health Service as a source of

very recent mortality data. M. D. Miller, Equitable Society, described studies now being conducted by industry and National Assn. of Insurance Commissioners committees toward preparation of a new group life mortality table. He remarked that data used in the intercompany group mortality studies should be expanded to include experience of companies which do not now contribute data. R. A. Hohaus, Metropolitan Life, pointed out the actuarial reasonableness and public relations desirability of basing a group life table on population mortality rather than insurance experience.

S. W. Gingery said that Prudential's 1958 loss ratios on weekly indemnity coverage were about 4½% higher than in 1957 but that recent experience indicates that this was a temporary fluctuation. However, hospital claims experience in 1958 showed an 8% rise, and there is no sign of its settling back.

F. H. Holsten, New York Life, stated that group A&S claim rates in 1958 were about 4% below the level of the previous year, due entirely to drastic increases in premium rates. Claim levels on hospital coverage rose by 4% in 1958, while surgical claim rates remained unchanged.

H. J. Saffair, Travelers, reported that substantial rate increases had reduced his company's A&S loss ratio by eight-tenths of 1% in 1958.

Mr. Gingery and Mr. Holsten both noted substantial increases in cost of major medical coverage, but specific figures cannot be developed because of rapid changes in the coverage.

Conversions Costing More

L. S. Wagenseller, Metropolitan Life, reported that high extra mortality and high lapse rates on group life conversions had required an increase in the conversion charge from \$65 to \$70 per \$1,000.

C. R. Ashman, Lincoln National, and Mr. Miller reported that their companies are continuing to use a \$65 charge for the present. Mr. Ashman reported extra mortality costs of \$82 per \$1,000 over table X-18 on conversion during the period 1947-1956. Mr. Miller noted that an inter-company study of experience is due soon. Each of the three speakers described his company's conversion practices for hospital-surgical charges. Metropolitan's experience has shown that its premiums for conversion policies are adequate, but Lincoln National has experienced loss rates above 100%. None of the companies now makes a conversion charge against the group policy.

Mr. Miller discussed the advantages of continuance under the group policy over the conversion method of providing coverage after retirement, but noted that the new laws in New York state will lead to greater interest in including the conversion privilege in group policies.

Employee Benefit Plans

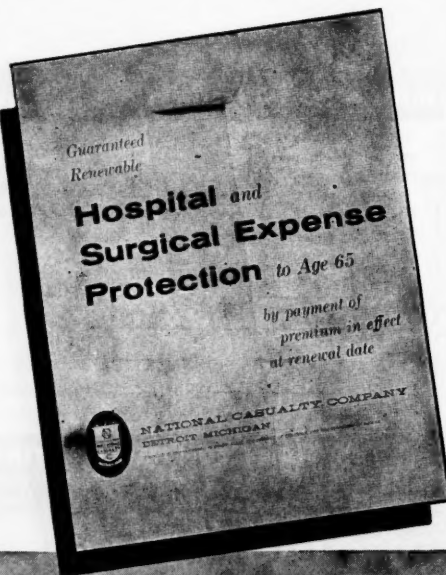
Mr. Hohaus presided at a special forum devoted to the discussion of employee benefit plans.

Concerning the federal welfare and pension plans disclosure act, Mr. Gingery outlined the history of the act and recent developments. All speakers agreed that announcement and descriptive material should usually be submitted, rather than copies of complete contracts. P. D. Anderson, John Hancock, described its steps to acquaint policyholders with the requirements of the act. Albert Pike Jr., Life

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That's the reason you require the best material available to make sales fast—with ease. National Casualty's sales aids fill the bill. National's representatives use the most modern methods in offering the finest in Disability Income, Hospital and Surgical coverages for the Individual, Family, Franchise or True Group case.

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Insurance Assn., noted the need for insurers to accept the responsibility for assisting their policyholders to respond properly and completely in submitting reports. J. K. Dyer, Jr., Towers, Perrin, Forster & Crosby, advised against unsuitable consolidations into one plan.

Speakers from United States consulting actuarial firms agreed that annual valuations should be made for pension plans and for deposit administration plans. Canadian speakers indicated that less frequent valuations are customary in Canada. R. A. Wishart, George B. Buck, stated that the Internal Revenue Service requirements seem to imply annual valuations. L. E. Coward, William M. Mercer, yet there is no specific requirement to that effect in the regulations.

Suggests Annual Valuations

G. N. Calvert, Alexander & Alexander, suggested that rapidly changing business conditions make it necessary to have annual valuations. J. A. Hamilton, Wyatt Co., and Mr. Dyer gave additional reasons for annual valuations. L. E. Coward, W. M. Mercer, acknowledged the desirability of annual valuations but noted the custom in Canada of valuations at less frequent intervals. D. R. Anderson, Eckler & Co., urged the practice in Canada of a brief annual review of the operations of a pension plan with an extensive valuation and analysis of experience at three or five year intervals.

D. J. Van Keuren said Metropolitan Life had experienced a slow but perceptible rise in lapse rates from the low point in 1945. In 1957 the recession left its mark in an abrupt rise which continued into early 1958. They found that the increase in rate has been most pronounced during the issue year. J. F. Ryan, New York Life, commented that its experience was substantially similar to Metropolitan's.

B. A. Winter mentioned that a cost allocation division was organized by Prudential 20 years ago to study allocation of expenses by branch of business. Expense standards developed showed the effect of the resumption of price inflation in the last three years.

Guaranteed Insurability Riders

At a forum on ordinary insurance conducted by J. F. Ryan, New York Life, recent developments under guaranteed insurability riders with respect to benefit structures, premium levels, underwriting rules and related problems were discussed.

M. G. Allen, Bankers Life of Iowa, reviewed valuation methods as well as his company's first full year of experience with this rider. Harry Walker, Equitable Society, presented a technique for establishing premium scales and listed the considerations which led to the adoption by his company of a special option that is available between normal option dates. Connecticut General's unique pattern of benefits available at quinquennial attained ages was described by F. R. Schneider, who also mentioned difficulties of offering the benefit on a substandard basis. E. R. Benedict, John Hancock, reviewed underwriting aspects of the rider as well as annual statement procedures. I. T. Vanderhoof, United States Life, referred to the desirability of generally establishing special reserves for conversion rights under all term plans.

Legislation And Regulation

G. H. Davis, Life Insurance Assn., stated that bills authorizing the new 1958 CSO table as a minimum valuation and nonforfeiture standard had become law in seven states, and he

expected that the new laws would be enacted in about half the states in 1959. J. T. Phillips, New York Life, reviewed the changes which had been made in reaching the final table.

E. A. Lew, Metropolitan, reported on tables based on separate male and female mortality experience between 1955 and 1957 anniversaries, as well as tables adjusted to approximate the male and female components of the 1958 basic table. This showed that the 1958 CSO table, with an appropriate setback in age for females, provides a conservative basis for valuation of special policies for women.

W. J. November, Equitable Society, reported on the work of a joint legislative subcommittee of American Life Convention and Life Insurance Assn. regarding minimum valuation standards for disability benefit annuities, etc., as well as minor modifications of the standard nonforfeiture law.

Shortage Of Actuaries

There was a lively discussion of the steps that can be taken to relieve the shortage of actuaries.

W. S. York, Metropolitan Life, presented the results of a survey which

indicated that the need for fellows of the society was currently about 1,200 and would grow to 2,300 in 10 years. At present there are 1,034 fellows of the society and, if the current rate of growth of membership continues, during the next 10 years, the number of fellows would increase to about 1,500. He warned that the number of students graduating from college who major in mathematics is insufficient to furnish the necessary supply of actuaries, so that it will be necessary to recruit from students who major in other subjects.

E. J. Moorhead, New England Life, out that the supply may improve, since the number of college students may be expected to expand greatly in the 1960s. He reported that three years ago the Canadian Assn. of Actuaries formed a committee for the promotion of mathematical careers which has worked closely with the secondary schools and has succeeded in greatly stimulating interest in the international mathematics contest in Ontario.

J. C. Maynard, Canada Life, pointed reported that the Boston Actuaries Club has been working with Harvard University to develop a course in actu-

arial mathematics. R. P. Coates, Equitable Society, emphasized that while the shortage of actuaries is a real problem it does not justify the society in lowering its standards. D. N. Warters, Bankers Life of Iowa, expressed concern at the shortage of qualified teachers in actuarial programs.

C. H. Fischer, University of Michigan, developed statistics indicating there are 14 teachers currently active in actuarial programs and there is an immediate need for at least eight more. C. J. Nesbitt stated that the University of Michigan has been developing teachers of actuarial mathematics. J. C. Sibigroth, New York Life, said that companies can help interest students by supplying summer jobs and the society can help by distributing additional promotional material. C. L. Strom, Continental Assurance, described the steps which the Chicago Actuarial Club has taken to promote mathematics contests and to acquaint teachers and students with opportunities in the actuarial field.

D. H. Harris, Equitable Society, mentioned that the executive secretary of the society has a list of universities that offer actuarial courses. R. F. Dor-

LIFE WITH PROVIDENT

The Class of '58

Congratulations to Provident life salesmen who were appointed during 1958. Even though many of them had only a few weeks or months of production time, this group paid for a total of \$10,610,000 of new life insurance within the calendar year. We're proud of these men. This paid business from men not with the company on January 1 indicates a high degree of ability and a fine career ahead.

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Insurance Company

CHATTANOOGA

man, Connecticut General, reported that the Actuaries Club of Hartford, has succeeded in greatly increasing the participation by Connecticut high schools in the mathematics contest.

Supervise Routine Operations

In the smaller company forum, W. J. Davidson Jr., National Travelers, opined that supervision of routine semi-technical operations is essential from a viewpoint of accuracy and provides convenient training ground for actuarial students. The small company provides the actuarial trainee with

greater variety of work, easier access to top management, greater respect from other units of the company, more flexibility and job satisfaction, with the offsetting aspect of greater pressure of work.

S. F. Conrod, Loyal Protective, said that to be done correctly, the routine semi-technical calculations, such as policy loans, need actuarial supervision. His company aids its actuarial students by granting one hour per day of study time during March and April.

R. H. Jordan reported that Life of North America grants about four

hours per week study time to actuarial students in March and April, with a few extra days prior to the examinations. He also said that students in small companies often do not appreciate the importance of the actuarial examinations and the amount of study required. E. R. Batho, Berkshire Life, felt that granting of study time to actuarial students pays off in the long run. His company offers 100 hours of study time on the basis of one hour per day for a period in the fall and the spring.

J. C. Woody, North American Re.

suggested that sharing of large scale computers by smaller companies is feasible. The principal difficulty would be scheduling. Use of such machines is important competitively as the resulting relief of key personnel from routine burdens allows more time toward improving the company's over-all operations.

Facilities Are Available

I. T. Vanderhoof, United States Life, said that the type of cooperative large computer service and programming groups needed by smaller companies currently exists in other businesses and can be formed by the smaller life insurance companies. Present day merchandising requires the flexibility available through this equipment.

Saul Rosenthal, Postal Life, expressed the view that on some routine matters such as research the smaller companies will continue to rely on the larger companies and industry studies. On other non-routine projects such as preparation of rate books, existing service organizations will fill the need. The major economic impact of using large computers will lie in routine applications where competitive advantages will accrue after the initial costs are written off.

J. G. Bruce, Columbian National, said small companies need to pool resources to keep abreast in the study and eventual use of large computers. J. A. Anderson, Colonial Life, said the main use of his company's small computer was for field payrolls, but it has also used their machine satisfactorily for rate book calculations.

Ratios Little Changed

Alexander Mutch, United States Life, reported that a comparison of expense ratios of smaller companies from Best's Reports indicated little change in recent years. However, future increases must be anticipated unless they can be offset by savings from the adoption of mechanical procedures. A. H. Kretschmer Jr., Continental American, stated that although total expenses in his company have increased considerably during the past five years, increases in volume of business and in average size policy had resulted in lower home office expenses per \$1,000 of insurance.

Melvin Gold, consulting actuary, and Saul Rosenthal, Postal Life, indicated several methods used by new and smaller companies for recruiting new agency manpower. One of the most popular methods is the granting of stock options or bonus plans to general agents. Eli Grossman, Great Eastern, elaborated on a specific program for such recruitment. J. A. Stedman, Continental American, explained in detail his company's financing plan for new agents which has been in effect since 1944. Miss G. A. Schlachter, Colonial Life, discussed its lapse experience by agencies and mentioned that managerial compensation now includes a persistency factor. She also mentioned that a full-time conservation director is in charge of an educational and administrative program pointed toward reducing lapse rates.

Skyland Life Has Stock Melon

A 25% stock dividend has been declared by Skyland Life of Charlotte, N. C., payable April 10 to stock of record April 1. Stockholders will receive one additional share for each held, but no fractional shares or scrip will be issued. Stockholders having shares not evenly divisible by four will be paid in cash at the rate of \$4 a share for fractional holdings.

NO ARMCHAIR GENERALS HERE!

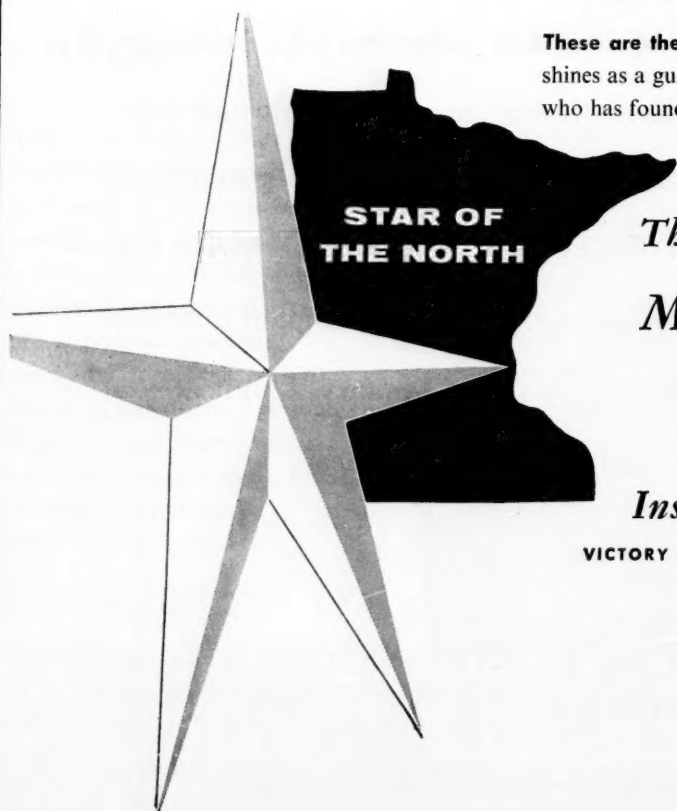
Armchair generals are conspicuous by their absence among Home Office people at Minnesota Mutual Life! You'll find Minnesota Mutual men in the Field . . . giving shirt sleeve, down-to-earth help in front of prospects . . . demonstrating how to get results with sales tools that have no peers in the industry.

The "Star of the North" is the fastest growing mutual company because it has developed the plans and the tools to put a new man into production *fast* . . . keep a good man growing year after year . . . and move the best men into the unlimited frontiers of Advanced Underwriting.

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Trouble Getting News Releases Used? Here Are Do's And Don'ts

The following is the third and final portion of an article written for the Life Insurance Advertisers Assn.'s recently published book, "Public Relations for Life Insurance Companies," which carried the article in condensed form. It gives specific pointers on how to prepare news releases so they will be easy and inviting for editors to use and hence more likely to be used as the basis for news or feature articles in the insurance papers.

By ROBERT B. MITCHELL

No matter how good a story you have to tell and how happy an insurance editor may be to print it, there is one thing you can do to make sure you get the best treatment for it. That is to set it up in the way that will enable the editor to use it with the least possible work. Editors routinely operate under a good deal of pressure. They always have so many more projects in the works than they can find time to accomplish that they welcome anything that helps them dispose of the daily grist.

Let's say I get a good story from a company PR department but find it is in such shape that I have to do a complete rewrite job to get it into usable shape. And let's say I get one from your PR department that requires little more than a headline to make it ready for the printer. Which story do you think is going to get handled first and which is going to get more space? You're right, on both counts.

Style Is Important

In making your story more inviting to the editor to handle than the one from your competitor, don't forget that it helps to write in the "style"—punctuation, capitalization, abbreviations, spelled-out figures vs numerals—that most closely follows that of the papers you're aiming at. Unless you're preparing a special release for just one paper you can't be right on every point.

But when I see a release with capitalization and abbreviations like nothing used by any insurance publication, and in some places inconsistent with itself, I wonder what the PR man was thinking of. The safest way is to use style rules that will come as close as you can to the leading papers you are writing for. Avoid initials as designations if they are not generally understood in the business and are not used in the papers you're aiming at.

Fundamentals Overlooked

It may seem ludicrous to mention double-spacing or triple-spacing of releases or other material intended for publication but you'd be surprised how many releases come in single-spaced. Even minor editing is virtually impossible on such releases.

Fulsome flattery and adulatory adjectives should be kept out of news releases. If company policy requires their use, give the editor a break by placing the flowery language where it can be readily deleted by a pencil-stroke. The worst kind is where the eulogy is so interwoven with the story that only a rewrite job will get it out. The best course for the PR man, if he can get away with it, is to persuade whoever he has to persuade that fancy verbiage should be left out because if some incompetent editor should let it slip into the paper it will

only serve to get the company laughed at.

But one thing not to leave out is what your appointee was doing before he joined your company, particularly if he was in the life insurance business. Some companies are reluctant to say what company or companies the man used to be with. They will tell how many children he has, that he lives on Shady Lane Drive in West Commuterville, that he is a member of the North Side Methodist Church and the Mystic Order of Veiled Prophets of the Enchanted Realm, but they consider it somehow indelicate to mention that he was formerly general agent of whatever life company he was general agent of.

But a man's life insurance background is the only thing that life insurance readers are much interested in, unless he has been doing something real weird, like counting tarantulas on a banana boat. Yet time after

time a release about a new appointee will kiss off his background by saying that he was formerly with "a large eastern company." The Syrian National Life, maybe?

Coyness Breeds Curiosity

This coyness, of course, arouses the reader's curiosity. Some of them probably guess that the appointing company just wants to keep the name of any other company out of the news story. But others get the idea (1) that there is something that somebody wants to cover up and the editor is either cooperating or is too lazy to go to the trouble of solving the mystery or (2) that the appointing company and/or the editor think the appointment is so unimportant that background information is superfluous.

Here are a few do's and don'ts on issuing news releases:

—Avoid having somebody "announce" things in appointment items and the like. When a story appears in an insurance paper it is assumed that the editor got it from the official source, i.e., the company. If company policy requires the "announce" pro-

Publish New Missouri Handbook

A new Underwriters Handbook of Missouri has just been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new Missouri Handbook may be obtained from the National Underwriter Co. at 420 East Fourth Street, Cincinnati 2, Ohio. Price \$12.50 each.

cedure, it will help the editor if you will put it at the end of a sentence: "... it was announced by President John Gwiltch." That way it is easy to delete. You done your duty and we done ours.

—On many papers the editors write the headline in the marginal space at the top of the story. Many companies make the headings on their releases so ornate and large that there

(CONTINUED ON PAGE 26)

THE FLOWERS THAT BLOOM IN THE... ETC.

It is the Time of the Lamb,
the Robin, and the Crocus.

It is a Time of Rejuvenation
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including Insurance Men and Companies.



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Editorial Comment

Happy Consummation For NALU

National Assn. of Life Underwriters should be experiencing a sense of relief that it has not known for some years, for at last NALU has a home of its own—signed, sealed and delivered.

Arthur W. Defenderfer, John Hancock, Washington, D.C., the building committee chairman and the other members of the committee, and the executives and trustees of NALU have every reason to feel gratified at what they have accomplished. The association has a home that it can be proud of, and one that it appears can be gotten into shape, furnished and maintained without diverting funds from more basic purposes.

The lavish praise that is due the

building committee should not obscure the tremendous accomplishments of the former building committee, headed by Charles E. Cleeton, Occidental of California, Los Angeles. After all, it was the money raised by the former committee that bought the present building.

The fact that the Cleeton committee quit in protest at what it felt were unjustified curbs on its powers cannot dim its record. Last year, when the hassle between the Cleeton committee and the NALU executive committee was at its hottest we borrowed a famous quotation: "There is glory enough for all." It still seems appropriate.—R.B.M.

Besting The Mutual Fund Salesmen

The many letters requesting copies of the vigorous anti-mutual-fund talk that General Agent Victor R. Goldberg of Mutual Benefit Life at Hempstead, N.Y., gave at an educational meeting of the New York City Life Underwriters Assn. attest to the widespread competitive efforts of mutual fund salesmen. With greater vigor than ever, numerous mutual fund salesmen are undermining cash value life insurance by pushing either term insurance or the minimum deposit plan.

We would like to hear from all our readers who have developed effective defenses and counterattacks for this destructive sales strategy.

What is your best comeback when you find a client or prospect veering away from cash value life insurance because of advice he has been getting from a mutual fund salesman?

Specifically what do you say to the prospect who is being sold the idea of buying term and investing the difference in mutual funds?

How do you counteract the sales talk when the salesman is promoting mutual funds plus minimum deposit?

What do you say when the mutual fund salesman tells a prospect that the life companies are making big profits buying stocks and he could make this profit for himself if he invested in equities by buying mutual fund shares or common stock?

In addition to the foregoing question we would also be interested in knowing which funds are represented by the salesmen guilty of the more aggressive types of undermining life insurance cash values. Also, what seems to be the mutual fund salesmen's ideas of life insurance adequacy? Even on a lip-service basis, the mutual fund people seem to have a pretty primitive idea of how much life insurance is enough. For example, First Investors Corp., one of the biggest marketing organizations, says that anybody who has life insurance equivalent to twice his annual income is a prospect for mutual fund shares. Of course, the idea of a \$7,500 income man having "enough" life insurance when he reaches \$15,000 of coverage is so ludicrous as to merit

nothing but laughter. Success of this concept, however, can make the laughter pretty hollow.

Some life insurance men have made the point that if inflation is what the prospect is worried about, then he'd better get plenty of life insurance coverage, which has a huge automatic inflation in the event of death in the next decade or so. Of course, this argument unfortunately plays into the hands of the "buy term" advocates. It takes real salesmanship to make the sale on the basis of permanent life insurance, when that is what the prospect ought to have.

Unfortunately, one of the strongest reasons why buying term or minimum deposit and investing the difference in mutual funds or common stocks is a poor bet for most people is also a reason that reflects upon the buyer's strength of character: If he buys permanent life insurance, the chances are he will find the money to pay the premiums with. If he buys term insurance or minimum deposit, he forgets about his fine resolve to invest the

difference in something else. So he winds up with a staggering premium on his term insurance or a staggering debt on his minimum deposit plan—but where is the "outside" investment fund that was supposed to complement the bob-tailed insurance program?

The fact of the matter is that the great majority of all who are tempted to manage their investment programs to integrate with "impermanent" life insurance should stop trying to be investment geniuses and dump the entire job in the life insurance company's lap. The chances are that if they would take the time that they would otherwise have to put into sweating over their investment programs and use it to make more money at whatever it is they are good at, they would more than offset any loss due to having invested in permanent life insurance rather than mutual fund shares. More than that, they would have averted the worry over making a wrong guess in their investments and experiencing losses that they probably could not afford.

So won't you let us know what ideas have proved effective in countering the blandishments of the mutual fund salesmen? We would like to pass them along to our other readers. Write Robert B. Mitchell, executive editor of THE NATIONAL UNDERWRITER, 17 John Street, New York 38, N.Y.—R.B.M.

Personals

Charles P. McCormick, a director of Massachusetts Mutual and chairman of McCormick & Co., Baltimore, has been named Big Brother of the Year for Maryland by the Big Brothers of Baltimore and the Jewish Big Brother League.

Carrol M. Shanks, president of Prudential, will speak on "Lifting Our Sights on New Jersey's Future," at the annual reception and dinner of the New Jersey Chamber of Commerce at the Hotel Essex House, Newark, April 16.

Charles E. Phillips, president of Equitable of Washington, has been appointed general chairman of the 1959 United Givers Fund campaign.

Lester O. Schriver, managing director of National Assn. of Life Underwriters, on April 17 will be presented with an honor certificate by the Freedoms Foundation for his editorial, "All We Like Sheep..." which appeared in the May, 1958, issue of Life Association News. The editorial urged Americans to sell democracy and its benefits to people at home and abroad.

Deaths

ROBERT L. AVINGER, 45, president of Carolina Life since 1956, died at Columbia, S. C. He joined the company in 1936.

FORREST BRADEN, 80, former assistant to the president of Columbus Mutual Life, died at Mount Dora, Fla. He had also been with Sun Life of Canada and was general agent at Louisville of Reliance Life. Mr. Braden at

The NATIONAL UNDERWRITER



The National
Weekly Newspaper of
Life Insurance

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DES MOINES 9, IOWA—327 Insurance Exchange Bldg., Tel. Atlantic 2-5968. D. J. Stevenson, Resident Manager.

DETROIT 26, MICH.—613 Lafayette Bldg., Tel. Woodward 5-2305. William J. Gessing, Manager for Indiana and Michigan.

INDIANAPOLIS 20, IND.—5634 N. Rural St., Tel. Clifford 3-2276. William J. Gessing, Manager for Indiana and Michigan.

MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Federal 2-5417. Howard J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—17 John St., Room 1401, Tel. Beekman 3-3958. J. T. Curtin and Clarence W. Hammel, New York Managers.

PHILADELPHIA 9, PA.—123 S. Broad St., Room 1027, Tel. Pennypacker 5-3706. Robert I. Zoll, Middle Atlantic Manager.

ST. LOUIS 2, MO.—221 Pierce Bldg., Tel. Chestnut 1-1634. Geo. E. Wohlgenuth, Resident Manager.

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Stocks

By H. W. Cornelius, Bacon, Whipple & Co.,
135 S. LaSalle St., Chicago, April 7, 1959

	Bid	Asked
Aetna Life	245	250
Beneficial Standard	13	14
Business Men's Assurance	40	41
Cal.-Western States	102	106
Commonwealth Life	23 1/2	24 1/2
Connecticut General	364	370
Continental Assurance	175	178
Franklin Life	78 1/2	80
Great Southern Life	84	88
Gulf Life	24 1/2	25 1/2
Jefferson Standard	91	93
Kansas City Life	1580	1620
Liberty National Life	46	48
Life & Casualty	21 1/4	22 1/4
Life of Virginia	53 1/2	54 1/2
Lincoln National Life	214	219
National L. & A.	115	117
North American, Ill.	16	17 1/2
Nw. National Life	97	100
Ohio State Life	305	325
Old Line Life	63	Bid
Republic National Life	74	76
Southland Life	127	133
Southwestern Life	145	150
Travelers	91 1/4	93
United, Ill.	43 1/2	45 1/2
U. S. Life	45	46
Washington National	60	65
Wisconsin National Life	90	95

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one time edited an insurance column of an Indianapolis newspaper and was an examiner of the Indiana department. He also was chief of police of Terre Haute, South Bend and Louisville.

MANUS J. GALLAGHER, 73, assistant vice-president of Home Life of Philadelphia since 1953, died suddenly at his home in Bala-Cynwyd, Pa. Mr. Gallagher had been district manager at Scranton, Reading and Pottsville before transferring to the home office as agency supervisor in 1937.

ARCHIBALD McPHERSON, a director and former president and chairman of London Life, died at London, Ont. He became a director in 1924, president in 1948 and chairman in 1953. He retired as chairman last year but remained as a director and a member of the executive committee.

ROSSWEL A. McIVER, 63, industrial actuary of Washington National, died at the Evanston, Ill., home office. He had been with the company in that capacity for 34 years and before that was assistant actuary of American National and National Council on

Workmen's Compensation at New York.

LOUIS G. RUSSELL SR., 90, a former vice-president, director and one of the founders of Commonwealth Life, died at Louisville. He retired in 1945 after 40 years with the company, but remained as a director until 1953.

Public Wants Results, But Not Bills, Speaker Tells Quincy Agents

No one wants to buy life insurance, but everyone wants what life insurance will do," Luther A. Linman, general agent for Guarantee Mutual Life at Galesburg, told the Quincy (Ill.) Life Underwriters Assn. at its March meeting.

Selling skills and a general knowledge of the business are important, but the salesman's greatest attribute is enthusiasm, Mr. Linman said. "When a prospect says yes, he does so because his heart directs his brain to say yes."

The next meeting of the association will be held April 16. Donald Rose, Successful Farming magazine, will speak.

Continental Assurance President's Club Meets

Two hundred members of the "President's Club" of Continental Assurance attended a seminar at Hollywood-by-the Sea, Fla., last week. Home office executives and agents participated in panel discussions of selling and underwriting programs for 1959.

Roy Tuchbreiter, chairman, and Howard C. Reeder, president, of Continental Assurance, and other executives addressed the meetings, introducing discussions of the new "Home-Guard" package covering life, A&S and fire insurance for the home owner. David G. Scott, executive vice-president, and Paul H. Rinker and Peter Hondorp, vice-presidents, conducted a panel on group, pension, minimum deposit and variable annuity plans.

William Harmelin of the Harmelin agency, New York, led a discussion on new health insurance sales programs.

A feature of the meeting was a review by Dr. Clifton L. Reeder, vice-president and medical director, and C. Edwin Carlson, underwriting secretary, of opportunities for more success-

Confirm Timmons As Iowa Commissioner

DES MOINES—The Iowa senate last week confirmed the appointment of William E. Timmons, 34, of Dubuque, as insurance commissioner.

Democratic Gov. Loveless had sent up the name of Mr. Timmons, also a Democrat, almost two weeks before. He will succeed Oliver C. Bennett, Mapleton, Ia., attorney, on July 1. The appointment is for a four-year term.

Mr. Timmons was born at Stanley, Wis., and received his BA at Loras College in Dubuque and his law degree at Georgetown University. He served one year as an insurance adjuster and practiced law at Dubuque for eight years. He also served as an assistant county attorney.

ful field efforts on sub-standard cases. Cases were illustrated to demonstrate how a prospect may be presented so as to be acceptable or ratable and how in some instances, these failed because of inadequate information. The examples cited involved policies of from \$25,000 to \$500,000.

Annuity Rates Reduced

MANUFACTURERS LIFE, long a leader in the annuity field, announces still lower rates for Single Premium Immediate Annuities.

Examples of premium deposits to provide \$100 monthly (male)

Type of Annuity	Age 60	Age 65	Age 70
Life Annuity	\$16,780	\$14,390	\$11,960
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Guaranteed 15 Years	18,600	17,080	15,900
Guaranteed 20 Years	19,950	18,970	18,370
Instalment Refund	18,760	16,730	14,660
Cash Refund	19,210	17,270	15,300

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Home Office Changes

United States Life

John E. Sheehan, assistant secretary and chief underwriter, has been elected assistant vice-president. Mr. Sheehan has been with United States Life since 1945, and before that was with Equitable Society, with which he entered insurance. He recently collaborated with Dr. Jacob Weinstock, medical

director, on the new medical underwriting guide, which will soon be distributed to United States Life general agents.

Connecticut Mutual Life

Denzil C. Warden, supervisor of agricultural loans since 1955, has been appointed agricultural loan secretary

and is succeeded by John E. Downey, former assistant supervisor of agricultural loans. Ralph J. Chittick, assistant counsel, now becomes associate counsel.

Massachusetts Mutual

Joseph A. Kessler Jr., former training assistant, has been named assistant director of training in the agency department. He entered the life business in 1954 and later was appointed manager of Northwestern Mutual at Baltimore.

Northwestern National

Robert V. Van Fossan, superintendent of agencies for the northwest division of Northwestern National at Spokane since 1955, has been appointed superintendent of agencies for a newly



R. V. Van Fossan



Rae C. Greene

created north central division to be located in Minneapolis. He will be responsible for intensifying the development of sales and service facilities in Minnesota, North Dakota and Montana.

The northwest division is being moved to Portland, and will be renamed the Pacific division. The new superintendent of agencies for the division is Rae C. Greene, since 1956 a member of the home office agency field service staff. The Pacific division will serve Washington, Oregon, Idaho and northern California. Both appointments are effective July 1.

Mr. Van Fossan began his career with Northwestern National as cashier in Great Falls, Mont., in 1947. In 1949 he became a full-time field man. In 1951 he was made a field supervisor in the midwest divisional office at Chicago, and in 1953 was appointed a home office field service representative.

Mr. Greene has been with Northwestern National since 1952 when he joined the Preston agency at Missoula. He qualified as a volume leader from 1952 through 1955, a premium leader in 1953 and a persistency and net gain leader in 1954.

United Benefit Life

A. W. Randall has been promoted to vice-president in charge of group insurance and Dale Gustafson becomes actuary.

Mr. Randall, a graduate of the University of Nebraska, has been with



Dale Gustafson



A. W. Randall

United Benefit for 18 years, most recently in charge of group insurance as assistant vice-president.

Mr. Gustafson joined United Benefit in 1951 and has been assistant actuary. He holds a masters degree in science and is a fellow of Society of Actuaries.

Newly elected directors are Gale E. Davis and Frank J. Hogan. They are both vice-presidents of Mutual Benefit H.&A.

All American Of La.

Rex McCullough has been elected senior vice-president, Paul G. Backus, secretary and office manager, and E. M. LeBlanc Jr., treasurer. Mr. McCullough has been with the com-

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525,000. Together they hold
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pany since 1945 and has handled field operations as well as administrative posts. Mr. Backus, who also becomes a director, was with Atlas Life of Tulsa for 15 years before going with All American. Mr. LeBlanc joined All American in 1950 and was elevated to treasurer in 1957. He, too, becomes a director.

Pacific Mutual

William Breiby, vice-president, has retired to open offices as consulting actuary at Los Angeles. He has been in the business since 1902 and joined Pacific Mutual in 1937 as vice-president. A fellow of Society of Actuaries, he is author of a substantial volume of insurance literature.

North American Accident

Joseph F. Cita, formerly chief life and A&S underwriter for Central National Life of Omaha, has joined North American Accident to initiate new procedures and underwriting methods in relation to special life contracts. Mr. Cita was with Central National Life for six years, and before that was with World of Omaha for three years.

Old Equity Life

William J. McKenna has been named vice-president of advertising and public relations. He joined the company in 1951 as a special representative and has been advertising director. His background consists of circulation and sales promotion experience.



W. J. McKenna

Continental Assurance

John S. Osborne, president of Central & Southwest Corp., has been elected a director.

Aetna Life

Glenn B. Moore, general agent at Lansing since 1955, has been named superintendent of agencies. He joined Aetna in 1948 and later became associate general agent at Grand Rapids.

AMERICAN HOME LIFE has elected R. F. Kolterman president. He was secretary-treasurer. Vincent L. Rocereto, vice-president and agency director, has been named executive vice-president. Robert H. Pratt has been elevated from assistant secretary to secretary and Bruce A. Wingerson from assistant secretary to treasurer.

FARMERS & TRADERS LIFE—Elected directors are Leland D. Smith, master of the New York Grange and treasurer of the National Grange, and

Mathias E. Smith, steward of the New York Grange. Alvin E. Thompson, executive vice-president in charge of agencies, has been appointed acting treasurer and acting secretary.

AMERICAN INCOME LIFE has appointed C. R. Jacobson, resident vice-president of Indiana, as director of agencies.

BALTIMORE LIFE has elected Stanley B. Trott, president of the Maryland Trust Co., a director.

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Changes In The Field

Northeastern Life



Arthur H. Roth

Arthur H. Roth has been appointed regional superintendent of agencies for upstate New York. He has been director of agencies of Eastern Casualty of Tarrytown.

Occidental Of California

Lonny R. Johnson has been named to head a new general agency at Pikeville, Ky. He has been general agent there of Shenandoah Life and before that was with Jefferson Standard.

Richard T. Brown and Robert G.

Duncan have been appointed assistant managers at Chicago and Hartford, respectively. Mr. Brown has been assistant brokerage manager at Chicago since last April and before that was with Equitable Society, State Farm and the Kemper companies. Mr. Duncan has been an agent at Hartford since last year.

Richard C. Hess has joined the company as brokerage manager at Seattle. He was with California-Western States Life at Seattle and before that was with Mutual of New York.

Robert E. Wilson has been appointed assistant brokerage manager at Philadelphia. He has been with John Hancock at Philadelphia since 1957.

Guardian Life

Everett Berlinsky has been appointed general agent at Providence. He entered the life business in 1944 and later was named unit manager of

John Hancock at Cranston. He is president of Providence CLU chapter.

John Hancock

Bernard Gorson and Isidore Herman have been named general agents at



Isidore Herman



Bernard Gorson

Brooklyn. Mr. Gorson, a CLU, is a director of the Brooklyn branch of New York City Life Underwriters Assn. Mr. Herman has been in the life business for 25 years.

Charles W. Calhoun, manager of the Englewood district at Chicago, will retire July 1, because of ill health. William J. McLaughlin, formerly assistant district manager at Malden, Mass., has been named manager of a new district at Joliet, Ill.

Mutual Trust Life

Mutual Trust Life has appointed Nathan Swiss and Calvin Taylor general agents in Indianapolis.

Before joining Mutual Trust, Mr. Swiss was in the field for 7½ years.

Since 1956, Mr. Taylor has been a leading associate of the Indianapolis agency.

Provident Mutual

Nelson A. White has retired as manager at Pittsburgh but will continue in personal production. He has been with Provident Mutual for 34 years and was elected the company's first advertising manager in 1936. He later was

named assistant manager of agencies and, in 1951, became director of sales training. In 1954, he was appointed manager at Pittsburgh. He was the first president of Life Insurance Advertisers Assn.

Massachusetts Mutual

James W. McEnerney has been named supervisor at Chicago. He entered the life business in 1955 and joined Massachusetts Mutual in 1957.

Sun Life Of Maryland

The Tysowski agency has been appointed general agent at Trenton, with Eugene A. Bobko as manager of the life department.

Manufacturers Life

Donald P. Desonier, assistant manager at Los Angeles, has been appointed associate manager there. He joined Manufacturers at the home office in 1937, and was later named secretary at Ed-



Donald P. Desonier

monton, Philadelphia and Los Angeles.

Nathaniel W. Covington Jr., former assistant manager at Washington, has been appointed manager at Richmond.



N. W. Covington

North American Accident

Hugh McCreight and Gilbert Tennent have been appointed life and A&S general agents at Richmond and Mobile, respectively. Mr. McCreight has been in insurance for nine years.

North American Life, Ill.

Louis E. Meador has been appointed manager at Louisville. He has four years experience in life insurance sales.

Monumental Life

Hayden G. King and Raymond A. Smith have been appointed general agents at Harrisburg.

LINCOLN LIBERTY LIFE has established a general agency at McAllen, Tex., headed by D. U. Buckner and Charles Stewart. The agency will cover most of southern Texas.

Service Guide

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- ★ A complete Rate Book to meet every situation!
- ★ Agent's Home Office training!
- ★ Selling aids designed to make sales!
- ★ Effective free direct mail program!
- ★ Group insurance!
- ★ Pension plan!

If you're looking for an opportunity to move ahead with an agency of your own, then join an organization that's moving ahead — go with The Maccabees.

We still have some choice territories (including a few major cities) open for development in the United States and Canada. For further information, contact The Maccabees, a Life Insurance Society, 5057 Woodward Avenue, Detroit 2, Michigan.

THE MACCABEES

Founded in 1878

— a Life Insurance Society

Home Office Detroit 2, Michigan

Cites Communication In Depth As PR Need

(CONTINUED FROM PAGE 4)

cited an extreme illustration.

"The facts were correct and we had to verify them as such," Mr. Nash added. "Over-all, the piece was effective and helpful to the business—but naturally raised the question of diabolic acceptance with a great many readers and brought them in to buy—especially where the old high rating was still in effect. The editors of that magazine received some very severe blasts from both home offices and field, and I am sure it could not have helped but chill some of the ardor towards the subject of life insurance. We must remember that, if we are going to grow as a public conversation piece, we will have more of the unpleasant as well as the pleasant. "And one thing every company can do to contribute to better communications is to urge its field forces to hold their pens in leash when something is printed that is not just the way they like it.

Letters Hurt Business

"Only recently, we at the institute have had two national magazine editors and one nationally syndicated newspaper columnist urge us to stop the flow of critical mail to them. They are great friends of the life insurance business, but these letters hurt and do nothing but promote elimination of life insurance from their columns. They say ours is the only business with which they have such encounters."

Mr. Nash noted that the life business has seen many changes in the past 10 years and will see many more in the next 10.

"We see some of the question marks looming already—multiple line underwriting, group expansion and other new features. Ten years ago, for instance, we would not have predicted the present sweep of the family plan, pre-authorized check plan, quantity discount, lower rates for women, minimum deposit insurance and insuring of insurability.

"Who can say what the marketing features of 1970 will be? Perhaps all contracts will have built-in inflation-adjustment features; perhaps an open-end family planning policy will develop, similar to an open-end mortgage.

Very Few Releases Used

Mr. Nash said that his own personal estimate of the number of words being projected to the nation's press by the life insurance business is some 20 million a year, of which only 1% or 2% is being used. He said this means a growing antagonism and greater communication problem in the editorial offices of the nation.

"It certainly behooves us all to cut the number of our stories to the bone, asking, 'Is this story necessary?' Also, to cut the story length to the space warranted."

Mr. Nash also predicted communications operations within the business will be expanded greatly in the next 10 years. Techniques will be far more effectively developed.

"Perhaps," he said, "this suggests as additional thought for the things to watch—namely, that we remain simple as we grow big. It is very easy to develop a public relations operation so vast that the outside world cannot find the desired channel within. A writer, reporter or editor is too busy—or at least thinks he is—to search out the right party. The perfect scheme of things would be to have an amply large operation at work to adequately

cover our expanding activities, but retain the benefits and relationships of the one-man operation most of us knew at one time."

Mr. Paynter, in his section of the panel discussion, said that good employee relations were probably more important than even relations with customers or the public at large.

Rule Of Thumb Given

A good rule of thumb in employee relations, Mr. Paynter said, is to keep the employee in mind on everything that happens to the company. Are the employees interested and is it important to them? These are the two questions an employee relations man should always keep in mind.

He gave as an example of proper handling of employee relations Connecticut General's recent home office move. Home office employees were the first to hear of the intended move after company officers. They were then taken to the new site and shown around. A suggestion system was set

up to get employees' views on any changes or improvements which might be helpful in planning the new building. In other words, employees were given the feeling that they were an important part of the intended move.

Transportation difficulties which might arise for employees from the move were ironed out. As a result of this careful planning, Mr. Paynter said Connecticut General's personnel director had informed him that only 1½% of the home office employees left the company over a period of a year because of the move to new headquarters.

Mr. Cullen told how Aetna Life had considerably improved its community relations when it sponsored TV broadcasts of the Hartford Symphony Orchestra. Mr. Paynter said that in casting about for a means of boosting its standing in the Hartford area, Aetna Life found that the orchestra was something that went deep into the roots of the community.

Six one-hour concerts were scheduled every other Sunday from Jan. 11 to March 22. The company limited itself to two commercials per program

Speicher CLU Institute Award To Kenneth Herrick

Kenneth W. Herrick, professor of insurance and chairman of the insurance department of Texas Christian University, has been awarded the 1959 Paul Speicher CLU Institute Scholarship. The scholarship provides funds for attendance at a CLU institute to be conducted this summer by American Society of CLU.

Mr. Herrick, who is secretary-treasurer of American Assn. of University Teachers of Insurance, has been a teacher of CLU classes and a member of the national grading panel for CLU examinations. He is author of "Total Disability Provisions in Life Insurance Policies," published by Richard D. Irwin, Inc., and of a chapter on important contract provisions in the "Life Insurance Handbook" to be published next fall.

of "pops" selections. Local interest was further increased through the offer of a \$1,000 music scholarship to guest musicians from the Hartford area.

Mr. Paynter said that news coverage of the series was excellent.



HAROLD LAFRENERE
Vice President and
National Sales Manager

EDGEWATER BEACH HOTEL

Chicago, Illinois

Famous as a lakefront hotel.
Convenient for business... yet
a self-contained resort with pool
and Cabana Club.

Phone: LOngbeach 1-6000
Teletype: CG 2378



ROBERT G. GOLBACH
Sales Manager

HOTEL ROOSEVELT

New York, N. Y.

Located on smart Madison
Avenue, convenient to every-
where, directly connected to
Grand Central Station.

Phone: MUrray Hill 6-9200
Teletype: NY 1-2924



ROBERT PFEIFFER
Sales Manager

THE MAYFLOWER

Washington, D. C.

A "Name of International Fame"
in heart of the Nation's Capital.

Phone: DIstrict 7-3000
Teletype: WA 359



FRANK HIGNETT
Sales Manager

SOMERSET HOTEL-HOTEL KENMORE

Boston, Massachusetts

In the quiet Back Bay section, close to Boston's
business district and historic sites.

Phone: COpley 7-9000 Phone: KENmore 6-2770
Teletype: BS 71 Teletype: BS 1093



JOHN J. TOBIN
Sales Manager

Complete facilities at these
motor hotels for business
and social gatherings in a
resort atmosphere. Every-
thing from all-weather air-
conditioning to the famous
Rib Rooms are here for
your enjoyment.

CHARTERHOUSE MOTOR HOTEL

24800 Euclid Avenue
Euclid, Ohio

CHARTERHOUSE MOTOR HOTEL

Shirley Highway
at Edsall Road, Route 350
Alexandria, Virginia

101 Years of Convention Experience

... and a Lot of Imagination



You can measure years — but it's not so easy to
measure imagination. HCA hotels have both — in
quantity.

HCA's long experience can make your meeting a
wonderful experience. Not only with perfectly suited
accommodations and expert service, but with the
"little things," that often make a big difference.
Little things like ash trays being where they ought to
be... like a podium that doesn't squeak... like seats that fit the modern
age — and the modern man. At HCA hotels nothing is too big or too small
to help make your meeting a success.

And here's where imagination comes in — for HCA hotels not only serve
groups — they serve the *individuals* in the group. That means your *particular*
needs get experienced attention — never a standardized routine. And it
makes a big difference.

There's a big difference in HCA hotels, too. Each has a unique person-
ality and character that reflects the city in which it is located... and each
is conveniently located for business and pleasure. Your meeting will be long
remembered in this atmosphere of individuality.

Look into HCA hotels and you'll book into an HCA hotel. HCA will add
the experience and imagination to your meeting that will make it more
successful. For reservations at any of the HCA hotels listed here contact
your nearest HCA hotel and you'll get prompt experienced attention to
every detail of your meeting. Stay HCA — your meetings will be better
that way!

Hotel Corporation of America

A. M. SONNABEND, President

Opening 1960 — Royal Orleans Hotel, New Orleans, La.

Here Are News Release Do's And Don'ts

(CONTINUED FROM PAGE 19)

is little room between the heading and the text to write the headline. But a distinctive release heading is good, because it enables an editor to identify it quickly on a deskful of papers. Running the heading out to the edge of the paper helps, too.

—If the release will reach the editor early enough so he could conceivably run it in an issue before the one you intend it for, be sure to mark

it "ADVANCE" in huge type. Releases so seldom reach us early enough so we could jump the gun that we get in the habit of assuming that every release is for the upcoming issue.

Avoid Underlining

—Avoid underlining book titles, names of newspapers, and the like, as each paper's style varies and it may be hard to edit out the under-

lining so the typesetter will not be misled. Be sparing in use of quotation marks, for the same reason, unless grammar rules actually call for them as in a direct quote. Where possible avoid parentheses. They are annoying to edit out but easy enough to insert if the editor wants to. All-caps are best avoided for the same reason.

—When you have a major story coming up, like a national convention of your agents, try to give the editors an advance idea of the total amount of material you are going to send out on it. Otherwise we may fix up a

story based on preliminary advance releases and then find we have little room for the real important stuff. Or we may hold off, figuring that the guts of the story is to come later—and it never does.

—Don't be disappointed if papers give scant space to stories about company gatherings that say little or nothing beyond who spoke and what topics they discussed. Readers would be interested in knowing what was said, in all probability, since you can't get a gathering of informed life insurance men together without some things being said that would be interesting to other life insurance men.

—Don't send out a news release saying that one of your executives or field men was elected president, vice-president or secretary of some life insurance organization, unless you include the names and company affiliations of the other officers. If the story is complete, we're often glad to get it, because it may not have come from another source.

Don't Conform Too Well

—Don't be bound too literally by what the various insurance papers seem to want. An occasional story that seems "off-beat" by the paper's usual standards may appeal to the editor. But to keep from wasting your time it's a good idea to ask him first if he'd like to have the story.

—Don't send newspaper matrices or "mats." They are necessarily so coarse-screen that they contrast strangely with the other pictures in the paper. Also they make cropping nearly impossible. The same is true of supplying feature cuts. Portrait cuts, if you know the paper's exact specifications, are O.K., but if you want to supply a cut, whether feature or portrait, the best way is to send the picture and authorize the publication to bill you for having the cut made.

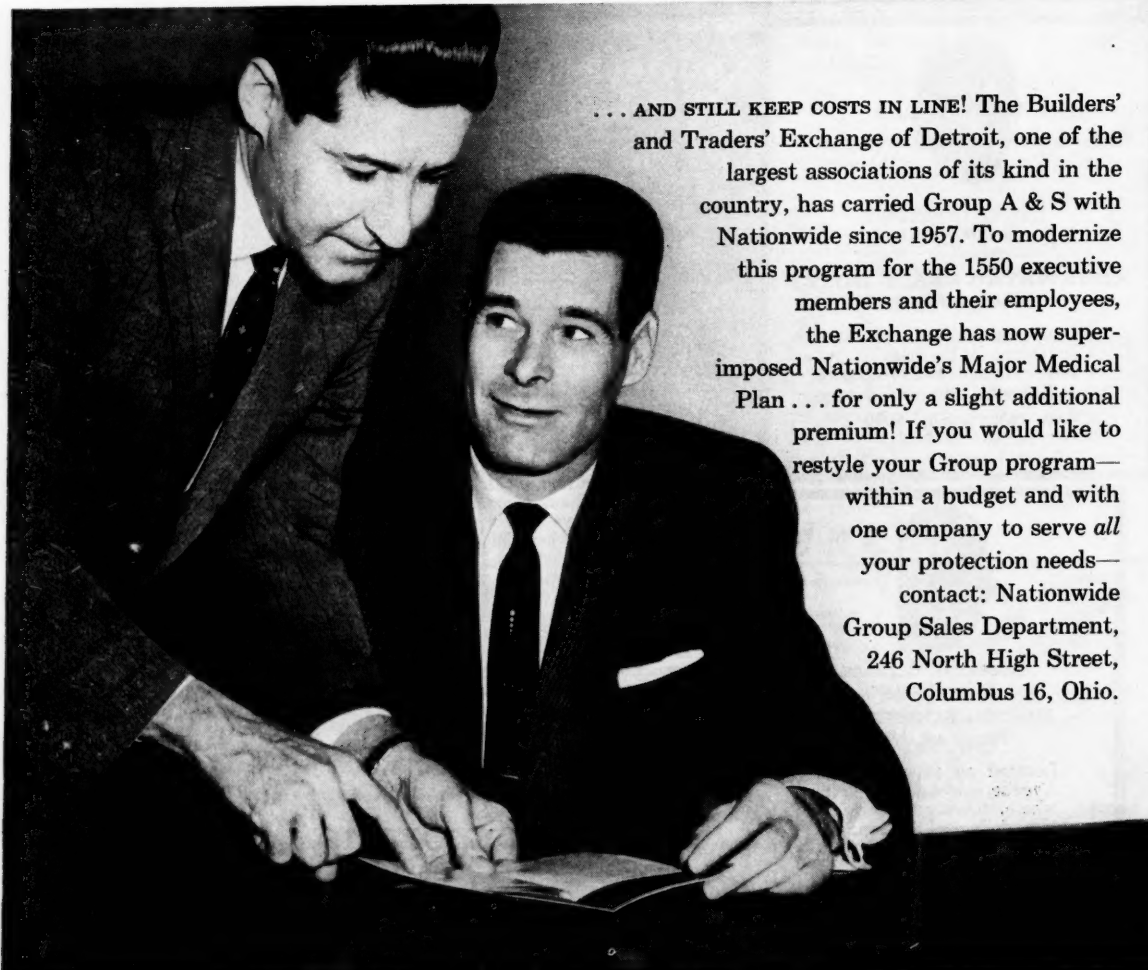
Those Mystery Men!

—In sending a picture, be sure to identify it on the back or on a slip pasted to the photo. Occasionally a photo has to be thrown away because it got separated from the news release and the editor can't be sure whose picture it is. Also, don't let the imprint of writing or typing on the back show through and spoil the picture.

—If you occasionally have a story that will probably strike the editor as of scant interest to the business but which may be of special importance to you or the company, don't hesitate to explain the situation to him. If he can stretch a rule he usually will. If he can't, he'll be glad to tell you why.

Besides news space, there is the entire field of insurance paper advertising. Look over the advertising in the insurance papers and you'll see

HOW TO "UP-DATE" YOUR GROUP PROTECTION...



... AND STILL KEEP COSTS IN LINE! The Builders' and Traders' Exchange of Detroit, one of the largest associations of its kind in the country, has carried Group A & S with Nationwide since 1957. To modernize this program for the 1550 executive members and their employees, the Exchange has now superimposed Nationwide's Major Medical Plan... for only a slight additional premium! If you would like to restyle your Group program—within a budget and with one company to serve all your protection needs—contact: Nationwide Group Sales Department, 246 North High Street, Columbus 16, Ohio.

Mr. Ed J. Thibodeau, (left) Nationwide Group representative with Mr. William C. Dennis, Secretary-Manager Builders' & Traders' Exchange of Detroit.



NATIONWIDE MUTUAL INSURANCE COMPANY • NATIONWIDE LIFE INSURANCE COMPANY • HOME OFFICE: COLUMBUS, OHIO

MANAGEMENT CONSULTANTS

O'TOOLE ASSOCIATES
Management Consultants
To Insurance Companies

Established 1945
220-02 Hempstead Avenue
Queens Village 29, N. Y.

O. R. CARTER
Home Office Management
Consultant and on How to
Build a Sales Force or Sales
Organization.

818 Olive Street

St. Louis, Mo.

Assoc.
By Gr

A non-
rectors
Southern
participa
company
The 1
to avail
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the asso
to attend

St. Lou

Robe
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agency c
Mr. Dav
individu
with the
been nar

the range of excellence—from superb all the way down. Many companies could do much more than they do to get the most out of their advertising in building intra-industry PR. They get a double benefit when they use insurance journal advertising for this purpose. They not only build up their standing in the business but they also help make it possible for the insurance papers to give more space to news of the business without letting the advertising ratio get too close to the break-even point.

Monthly Magazines

What I have been saying about news releases has been more with the weekly papers in mind than the monthly magazines, but the latter are on the lookout for good material all the time. The time element is not so urgent with them, so there is more opportunity to contact the editor in advance and see if he would be interested in the type of article that one of your people could supply.

Whether it's the weekly papers or the monthly magazines, you can take it as an axiom that they are never overloaded with good material. I can hardly believe that what I have written will change that situation overnight so you can figure that the competition for space in the trade papers isn't going to be much tougher than it's been right along.

U. S. Employment Service Gives Life Agents Full Professional Ranking

WASHINGTON—Full professional status has for the first time been accorded life agents and estate planners by United States Employment Service as a result of approval given to a change in the definition and coding of these two occupations. The professional office of USES for the District of Columbia initiated the change in cooperation with Institute of Life Insurance, NALU, and LIAMA.

All 1,850 local USES offices will be using the upgraded, professional titles when the next supplement to the "Dictionary of Occupational Titles" is issued by USES. The book codes and defines some 40,000 job titles.

The new definitions outline the many complex duties of both the life agent and the estate planner and also describe the various skills, knowledges and abilities required for each of these occupations. Under the old definitions companies or agencies looking for potential insurance personnel were seriously limited in their search for qualified applicants through the USES.

Associate Board Created By Great Southern Life

A non-voting associate board of directors has been created by Great Southern Life to attend and otherwise participate in regular meetings of company directors.

The 12-director group was formed to avail the board of information and ideas from other officers while giving the associate directors the opportunity to attend board meetings.

St. Louis GAs Merge

Robert E. Davis & Associates, formerly general agent at St. Louis of Equitable Life of Iowa, has merged with the J. Harry Veatch general agency of Northwestern Mutual there. Mr. Davis will continue to serve his individual clients. Harry M. Zekind, with the Veatch agency since 1946, has been named an associate.

Committees Named By Life Advertisers

Life Insurance Advertisers Assn. has appointed its 1959 committees. Chairmen, vice-chairmen and their respective committees are:

Henry R. Geyelin, Metropolitan Life, and Russell V. Vernet, Mutual of New York, advertising research; Loflin E. Harwood, Southwestern Life, and Hess T. Sears, Equitable of Iowa, public relations research; Albert N. Beardshear, American United, and F. J. O'Brien, Franklin Life, sales promotion research; Herbert J. Kramer, Travelers, and C. Sewell Weech Jr., Baltimore Life, educational, and John P. White, Lincoln National, and Robert H. MacGregor, Phoenix Mutual, membership.

Also Richard A. Chatfield, Continental Assurance, and Charles E. Ferree Jr., Berkshire Life, press; Francis L. Cooper, New York Life, and Douglas J. Alspaugh, Aetna Life, eastern round table; Samuel J. Osborn, Ohio National, and Mary G. Hickey, Northwestern Mutual, north central round table, and Clarence E. Bishop Jr., Protective Life, and Robert B. Lancaster, Life of Virginia, southern round table.

Chairmen named and their respective committees are Charles R. Corcoran, Equitable Society, finance; Richard S. Haggman, Northwestern Mutual, annual meeting; Richard W. Marsh, Cal-Western States, western round table, and Morgan S. Crockford, Excelsior, special committee on membership and institutional relations.

Pays Second Stock Dividend

Citizens National Life of Indianapolis will pay a 10% stock dividend to stock of record March 31. Stockholders at the annual meeting voted to increase the authorized capital from 300,000 to 350,000 shares with a par value of \$1.

Citizens National paid its first stock dividend, 12½%, in 1958.

Now he represents a BILLION-DOLLAR COMPANY



Liberty Life now provides a billion dollars in life insurance protection for individuals, families, and businesses throughout the entire Southeast.

As a result, the Liberty Life representative has even greater opportunities for a successful career than ever before in our 54-year history.



LIBERTY LIFE INSURANCE COMPANY

Home Office:
Greenville, South Carolina

PRESENTING...

OUR 48th ANNUAL STATEMENT showing conditions as of December 31, 1958

Assets		Liabilities	
Cash in Bank	\$ 765,211.85	Legal Reserve on Policies	\$38,615,735.66
Bonds	9,656,893.45	Commissioners Security Valuation Reserve	371,956.00
U. S. Government	\$ 4,701,267.30	Unrealized Profit on Stocks	114,358.33
Foreign Government	98,678.99	Reserve to Provide for Fluctuation of Mortality and Market Value of Assets	2,615,093.03
State, County, Municipal	2,074,930.31	Credits to Policyowners Left with Company on Deposit at Interest	1,015,325.08
Public Utility and Industrial	2,782,016.85	Taxes Payable in 1959	204,249.59
Stocks	1,846,997.56	Claims Reported but Proof Not Completed on or before December 31, 1958	58,257.25
Preferred	1,382,566.56	Premiums and Interest Paid in Advance	306,523.11
Common	464,431.00	Special Funds Payable to Policyholders in 1959	7,816.91
Real Estate Owned	1,067,331.74	Employee Pension Fund	53,270.48
Home Office Property	357,500.00	All Other Liabilities	74,309.19
For Investment Purposes	690,097.92	Capital and Surplus	2,150,000.00
Real Estate Sales Contracts	19,733.82	Total Liabilities	\$45,586,894.63
First Mortgage Loans	28,008,814.45		
Farm Properties Conventional	992,653.83		
FHA and Veterans	7,789.90		
City Properties Conventional	26,394,780.38		
FHA and Veterans	613,590.34		
Loans Secured by Legal Reserves on Policies	3,270,941.23		
Interest Due and Accrued	294,157.31		
Other Assets	22,604.61		
Net Premium in Process of Collection	653,942.43		
Total Admitted Assets	\$45,586,894.63		

For the Protection of Company Policyowners we had on deposit with the State of Kansas, December 31, 1958, \$37,758,636.04. This amount is more than required by law. Insurance in Force December 31, 1958, \$144,233,359.00. Paid to Living Policy-

owners and Beneficiaries during 1958, \$1,954,640.64. Paid to Living Policyowners and Beneficiaries Since Organization, \$36,443,500.45.

The Farmers & Bankers Life Insurance Company operates under the Kansas Compulsory Reserve Deposit Law, and every Life Policy issued by this Company is registered with the Insurance Department of the State of Kansas and bears that Department's Registration Certificate. Approved securities in excess of the Company's legal reserve liability are on deposit with the State Treasurer of the State of Kansas.



Farmers & Bankers Life INSURANCE COMPANY
HOME OFFICE, WICHITA, KANSAS

Mid-South Life Merges Into Guaranty Savings

Guaranty Savings Life and Mid-South Life, both of Montgomery, Ala., have merged with Guaranty Savings Life the surviving company.

Capitalization will be increased to \$500,000. Prior to the merger, Guaranty Savings was capitalized at \$360,000 and Mid-South at \$289,880. Insurance in force will be \$84 million.

Ernest H. Woods will continue as president and chairman of Guaranty Savings.

WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—
LIFE EDITION

ACTUARIES WANTED

Fellows or Associates preferably; with life, group, A & H, or pension experience.

We maintain highest professional standards. We have prominent loyal clients throughout the mid-west. Our actuaries work directly with clients and assume full responsibility. Work is very varied, interesting, and challenging. Some travel; but not too much. Company-paid group life and comprehensive hospital coverage, and generous profit-sharing plan. New air-conditioned suburban offices. Replies strictly confidential.

Nelson and Warren, Inc.,
111 S. Bemiston Ave., St. Louis 5, Mo.

SUPERVISOR ACCIDENT & SICKNESS DEPARTMENT

Unusual opportunity for qualified man to head an expanding department in Atlanta for one of the country's large multiple line stock companies. Complete line of accident and health policies. Large office, challenging position requiring good administrative abilities. Responsibility for production, underwriting and service.

Successful applicant must have bonafide Group experience with first line company. Under 40.

Send complete résumé to Box F-70, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill. Replies strictly confidential.

Available GROUP SALES EXECUTIVE

Vice President and Manager of Group Sales Department representing company with over two billions of insurance in force desired comparable position with aggressive group minded company. Extensive experience in sales promotion, supervising, recruiting and direct sales. Fully capable of producing a substantial volume of Group Life insurance. Age 37, 11 years experience salary five figures. Reply Box F-42, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

PRESIDENT AND AGENCY DIRECTOR

Executive Officers and Agency Director with proper qualifications wanted for life company now being formed in Philadelphia. A definite career opportunity with many benefits, including stock options in ambitious new company. Write Box F-58, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED—OPPORTUNITY IN HOME OFFICE OR BRANCH

Eight years as Midwest Asst. and Mgr. for top companies of D.C. and Ind. Able to recruit, select and train for life and A & S. Replies confidential. Details on request. Write Box F-65, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

EXECUTIVE AVAILABLE

College graduate, age 32, seeking opportunity in top management. Eight years experience in Life & A&H, as Manager, General Agent and Home Office Agency Director. Highly successful record of Recruiting, Training and Agency Developing. Reply Box F-72, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Raps Proposals On Financed Insurance

(CONTINUED FROM PAGE 1)

existing insurance to pay first year premiums in full and assure the agent his full commission.

—Suppose an agent arranges for or provides funds to pay a first year premium in full, then collects his commission, and shortly thereafter arranges a first year policy loan with the company. In that case, would the department require a refund or part of the commission?

—An agent could easily arrange a first year policy loan with a bank, rather than with an insurance company—and earn his full commission. How would the department police this?

—Suppose a policyholder—fully intending to pay all premiums in full—makes a first year loan with the company in the last months of the year because of an unexpected financial emergency. Would the department then require a refund of part of the commission?

“If the intent of the department is to regulate and control financed insurance business, we feel it can be done better through careful home office underwriting and possibly by restricting the market to which the high early cash value policy is made available,” said Mr. Arden. “If the policy, sold on a sound basis, is good in some cases, as everyone concedes, couldn't it be restricted to that market by requiring a minimum annual income?”

Regarding the “fifth dividend option”—the right to buy one year term to offset the amount of loan—Mr. Arden agreed with the proposed requirement that a company offering this option or term riders on one policy should make it available on all policies.

The proposed requirement that illustrations and comparisons be made on a life expectancy basis rather than for only 20 years, drew strong objection from Mr. Arden as being impractical

and unwieldy. He recognized that, in the case of financed insurance, there are unusual considerations of special importance, however, because there is a point where the insurance decreases and the interest cost increases, if loans are made each year.

“We fully agree that the prospect should know of this but we believe this can be accomplished in a manner that will be just as effective as a life expectancy illustration,” he said. “A statement—on the illustration—to the effect that the decline in the amount of insurance and the increase in cost will progress at approximately the same rate as shown from the 19th to the 20th year of the illustration should accomplish the same result.

“In addition, we believe that in a financed sale the illustration should indicate, where applicable, the valuable nature of interest rates, dividends, the nature of the cost of the fifth dividend option and whether it is guaranteed or not, the income tax bracket, the possibility of legislation changing the right of interest deduction, and a statement showing the final year in which the fifth dividend option, at the present rate, will suffice to keep the policy at its full face amount.”

As to the final section, covering safeguards against replacement of existing insurance, Mr. Arden endorsed the proposal that every application contain a statement over the applicant's signature revealing whether insurance is to be replaced, and said that all NALU is in complete accord with any other steps the department may take to eliminate improper twisting.

Several home office executives, though expressing sympathy with the department's aims, expressed doubts about the statutory authority for some of the projected restrictions, particularly the attempt to interpret section 213 so as to diminish the gross premium by the amount of any loan made during the first policy year, thereby cutting down the expense margins otherwise available. This could bring about a reduction in commission.

The witnesses who questioned the department's legal authority gave their testimony so close to press-time that it is not possible to report their arguments in detail. They will be covered in next week's issue.

Rowland H. Long, vice-president and general counsel of Massachusetts Mutual, announced that his company plans to withdraw its high early cash value contract and will modify cash values on its other policies to a higher level.

Faulkner Is Chairman Of Health Insurance Council

(CONTINUED FROM PAGE 1)

man of Joint Committee on Health Insurance.

Mr. Miller, in his progress report, stated that the council has been able to “come to a better understanding than ever before with American Medical Assn.” and that relations with American Hospital Assn. also have been “greatly improved.”

Summit Meeting Successful

He cited the “second summit meeting” between insurance company presidents and officers and trustees of AMA held successfully last September, resulting in the establishment of a continuing liaison group which met for the first time in February. He also cited the recent meeting with representatives of the AHA council on prepayment, reimbursement and Blue Cross as another achievement which can lead to a better relationship between hospitals and insurance.

Mr. Miller mentioned distribution to every physician of the council's simplified claim form booklets, and the council's state committee program.

Group Health Of N. Y. Will Try Psychiatric Coverage

NEW YORK—Group Health Insurance Inc. of New York City, will undertake a two-year experiment on covering mental illness. A \$300,000 grant has been provided by National Institute of Mental Health, a federal research agency. The program is also sponsored by American Psychiatric Assn. and National Assn. for Mental Health. There will be no extra charge to the 30,000 subscribers of the organization's family doctor plan.

Subscribers will be able to get short-term treatment and also 30 days of in-hospital care. Office treatments are included and will cover individual and group psychotherapy, anesthesia, electric shock treatments, and psychological testing.

Cotton States Names Seven

C. B. FunderBurk has been elected president of Cotton States Mutual and Cotton States Life & Health to succeed D. W. Brooks, who was named chairman. Luke R. Lassiter, former assistant general manager, succeeds Mr. FunderBurk as executive vice-president. C. J. Bernhardt was promoted to secretary-treasurer and Robert Carpenter was named agency vice-president.

W. O. Dabney was promoted from claims manager to vice-president in charge of claims, and J. L. McClain from underwriting manager to vice-president in charge of underwriting for Cotton States Mutual.

Continental Assurance To Pay 25% Stock Dividend May 1

Stockholders of Continental Assurance last week approved the proposal to increase the authorized number of shares from 1,650,000 to 2,062,500. The directors declared a 25% stock dividend payable May 1 to stock of record April 15. No fractional shares will be issued, but stockholders receiving a fractional interest will receive order forms by which they may purchase an additional fraction to make up a full share or sell their fractional interest.

Aetna Life has increased the discount rate on life policy premiums paid in advance from 3% to 3½%.

New Handbook Of Nebraska Published

A new Underwriters Hand Book of Nebraska has just been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new Nebraska Handbook may be obtained from the National Underwriter Co. at 420 East Fourth Street, Cincinnati 2, Ohio. Price \$12.50 each.



Ellis, president of Pan-American Life cuts cake during company's 48th anniversary celebration at the home office. Mr. Ellis is Pan-American's first president and surviving founder. Taking part in the celebration are, from left, Kenneth D. Hamer, senior vice-president; John Y. Rudock, executive vice-president; Mr. Ellis; Fritz G. Lindley, vice-president, Latin American department; and Wallace B. Schmitz, vice-president, group department.

Crawford H. Ellis, president of Pan-American Life cuts cake during company's 48th anniversary celebration at the home office. Mr. Ellis is Pan-American's first president and surviving founder. Taking part in the celebration are, from left, Kenneth D. Hamer, senior vice-president; John Y. Rudock, executive vice-president; Mr. Ellis; Fritz G. Lindley, vice-president, Latin American

Describes Job Of Launching Company

(CONTINUED FROM PAGE 2)
the shop is the president, and the most needed man is the agency officer. The agency must build premium income. For without a growing premium income, the company in due time will go to the wall. A good agency officer makes a poor president look mighty smart, but a bad agency officer makes a good president look terrible."

Two directors of sales took over the agency department of Pioneer Western, each with a specific territory. They can recruit and train and they are "home-grown." They can also recruit men on a non-financed basis. Today the company is financing less than 10 of its more than 30 agents, and most of these 10 have accounts that are cleared out at the end of each month.

"If you are to develop other men in your organization you must give them room in which to grow," Mr. Whitbeck pointed out. "If they make mistakes you must be patient enough to see the man through."

Mr. Whitbeck pointed to the thing

that he said he did wrong the past year: He has had a tendency to get unduly excited about some new ideas for putting business on the books. He referred to credit insurance, variable annuity, hospitalization, trading-stamp life insurance, group insurance, low-cost whole life, family plan, property and casualty insurance.

"It was my thinking in the beginning that as president of a life insurance company, it was my responsibility to the company to investigate every opportunity that presented itself," he said. "The thing that kept us finally on the track was the truth that we are life insurance specialists and that we must develop ourselves and our company as such."

Installs IBM 650 System

An IBM 650 magnetic tape, electronic data processing system has been installed by Ohio National Life. The system will be coordinated with present punched card methods.

Independence Life of Los Angeles has been licensed in Washington.

MDRT Annual Feature: New Sales Opportunities

(CONTINUED FROM PAGE 2)
CPAs and the American Institute of CPAs. He is the author of "Assignment of Income."

Final morning speaker will be John O. Todd, Northwestern Mutual Life, Chicago, a past chairman of the Round Table, who will discuss insurance sales possibilities in the estate planning business insurance and fringe benefit areas for both the new man in the business and the experienced agent.

For the Canadian members, there will be an all day session Wednesday on the Canadian tax act.

That afternoon there will be concurrent workshop sessions as follows:

—Estate planning, Charles S. Motz, Massachusetts Mutual, Atlanta, and Mr. Murray.

—Business insurance, Edward J. Mintz, New York Life, Salinas, Cal., and Mr. Summa.

Workshops To Be Repeated

—Fringe benefits, Donald Shepherd, John Hancock, Quincy, Mass., and Denis B. Maduro, New York attorney specializing in employee benefit plans

and estate planning.

—Programming, Charles T. Kingston Jr., Union Mutual Life, Hartford, and Harry S. Redeker, general counsel of Fidelity Mutual Life.

Later in the afternoon the workshops will be repeated. Each member can thus attend two complete workshops and in the evening there will be an opportunity to meet with those who conducted the workshops and obtain additional information.

The Americana Hotel facilities are exceptionally well adapted to the meeting's requirements. The hotel is completely air-conditioned and the normal outdoor temperature at that time of year is in the low 80s. Arrangements have been made for the E. F. MacDonald travel agency of Chicago to cooperate with MDRT headquarters in arranging transportation for members attending the meeting.

Life Insurance Securities' registration statement filed with the Securities & Exchange Commission and covering 1 million shares of stock became effective March 27. Public offering is being made at \$5 per share through a group of investment companies headed by First Maine Corp.

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Give Excerpts From Goldberg's Attacks On Mutual Funds

(CONTINUED FROM PAGE 2)

exaggerated impression of the sales and management charges of the fund in question, for two reasons.

First, the fund's 17% figure includes life insurance to meet the unpaid installments (this was a 10-year, \$10-a-month contractual plan) and it would hardly be assumed that life insurance coverage would be provided by a pinch-hitting poker player. Second, 17% is the ratio that total charges (sales etc.) bear to the net amount invested

in the market on behalf of the investor. The ratio of charges to what the investor pays for the mutual fund shares would of course be a lower percentage.

To be on all fours with the charges levied by this particular mutual fund, the "charge" in the poker game would not be 17% of the amount put into the game but 11.6%, because that, over the 10-year accumulation period, is what is taken out of the total amount that the

sharebuyer pays for his mutual fund shares, without life insurance to guarantee completion of payments.

Even the 11.6% figure, of course, is not peanuts, and it looks even less like peanuts when compared to the net amount invested on behalf of the investor during the 10 years, for then the percentage becomes 13.11.

Mr. Goldberg drew some yelps from the mutual funds folks by bearing down hard on the fact that 17% of the

amount invested by the mutual fund contractual plan holder amounts to 170% of a year's payments during the course of the 10-year accumulation period. He emphasized that this 170% of a year's payments would have to be earned before the buyer would stand to profit, in the absence of stock price increases.

A mutual fund man complained that there is no significance in relating total charges to a single year's payments (or a single month's, for that matter), any more than there would be in relating 10 years of life insurance acquisition costs to a single year's or single month's premiums.

Calls Telescoping Fair

Mr. Goldberg's comeback: "It would be equally proper to telescope life insurance acquisition charges and relate them to the initial year. As a matter of fact, I have personally heard it done by mutual fund salesmen."

Mr. Goldberg said that some people had said to him, "Well, this charge of 170.2% of a year's payments with insurance and 131.1% without insurance is a fair charge. After all, you have to pay all the costs spread over a 10-year period; I guess they are entitled to it."

"But remember," said Mr. Goldberg, "on the payments that you make in the last few years you do not even have four or three years or two years working for you in the income line, so you cannot recoup the cost of the last four years of a 10-year period."

Mutual Fund Explanation

Comment from a mutual fund source: "On a typical \$10 a month plan, during the final four years the total of all deductions (not including life insurance, which would be minor at this point, anyway) is \$30.55. Because a double payment is made in the first month of a plan, the final year calls for only 11 payments, so in the final four years there would be 44 payments of \$10 each, or a total of \$440. The total deduction figure for this period of \$30.55 is 6 1/2% of the \$440. If Mr. Goldberg feels this should be made up out of income—a debatable point—it would average out to about 1.62% a year to be made up."

One of Mr. Goldberg's points was that a 10-year contractual plan is an extremely poor bet for the man who drops it a few years after starting. On one such plan he said:

Cites Six-Month Cost

"We find that in the first six months they keep 54.38% of all you pay in and you will get stock equivalent to only 45.62%, assuming a fund is worth the exact amount that it was the day you bought it. If you carry it for one year the charges amount to 53.51%. If you carry it for two years, the cost is 30.95%. That amounts to 61.9% of first year's payments, and you have invested in the stock market for you only 38%. And I find that the 61.9% charge is only on the plans without insurance. On the plans with insurance it comes out to 72% of the first year's payments, if you quit at the end of the second year."

Mutual fund comment: "Actually, at the end of two years, when the cost reaches 30.95% of what you have paid in, 69% of your money has been invested. There is no conceivable relationship between two years' cost and one year's payments. With each additional payment, the total of charges paid obviously is going to increase, although the percentage of total charges to total payments progressively decreases to the final figure of 13.11% of the amount invested (without insur-



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ance) and 17.02% with insurance." Goldberg rebuttal: "Let's not forget that 17.02% is the annual average. We must multiply it by 10, on a contractual plan, to relate the total 10-year charges to a single year's amount invested."

Mr. Goldberg mentioned another fund in which the charge, with insurance, would be not 17.02% but 19.61% of the amount invested and stated: "Just figure, with the same mathematics that I used before how you are going to have any possibility to beat this thing over a short period of time, or, yes, even over a longer period of time."

Mr. Goldberg made the point that when mutual funds provide insurance for contractual payments plans it should not be assumed that the beneficiary is going to receive its proceeds, because these are actually paid to complete the contractual payments under the plan. Out of these proceeds, the fund retains all the charges and commissions that it would have received over the remainder of the 10-year period, with the exception of the insurance charges.

Critical Of Limitations

Mr. Goldberg was also critical of limitations on the group coverage in other respects. From one fund's prospectus he quoted a statement to the effect that in the event the insurer fails to pay or refused to pay the amount claimed the fund would not be required to bring any suit against the insurer or incur any expense for collecting on the policy without being "reasonably indemnified against costs, counsel fees, and other expenses."

He also quoted this language: "The fund is not making any representation in any manner whatsoever regarding

or otherwise warranting the validity or legality of the life insurance protection arranged for in accordance with the terms of the plans or of the group, and other life insurance policies, but such policies have been represented to the fund as legal and valid by the insurance company issuing the same."

Coverage Could Be Dropped

"Can you just picture going out with life insurance contracts in your pocket for delivery to policyholders that contain a paragraph like that?" he asked his audience.

Mr. Goldberg cited another passage in the same prospectus which stated that if for any reason the fund was prevented from maintaining the insurance, it could give written notice to the plan-holder that the insurance had ceased and after that the fund would be relieved of its obligation to maintain its insurance and the plan would continue in force without insurance.

"So that at any time the insurance company wishes to withdraw from the plan because of heavy losses, it can do so by refusing to renew the group," Mr. Goldberg remarked. "The fund can also walk out but the insured is at the mercy of both."

Some years ago mutual fund marketing organizations offering the contractual plan in New York with group insurance ran into a previously unheeded provision of the New York insurance law stating that creditor group can be written only where there is valid debtor-creditor relationship. This actually did not exist in the sale of contractual plans. Thereafter, to be able to continue selling group insurance on these plans, a provision was included in contracts to make the pay-

ment of the unpaid installments a binding obligation upon the plan-holder's estate—but only in the event of his death.

"What does that mean?" Mr. Goldberg asked his audience. "It means, Mr. Mutual Fund Buyer, that immediately upon your death your estate has a liability. If the insurance company comes along and relieves your estate of that obligation, all well and good. But if it doesn't, a fund can take every dime your family has, if that be the amount of the remaining obligation under the plan."

Would Become Non-Insured

Mutual fund comment: "What are the situations in which an insurer could or would refuse to pay a claim? The insurer itself cannot refuse to pay, since the insurance is incontestable except for non-payment of premiums. Failure to pay premiums could be due to the plan-holder's failure to make his periodic payment within the 30-day grace period. In that case, the plan by its terms becomes a non-insured plan, under which there is no obligation on the estate."

"Any other situation in which the

insurer failed to receive premiums would be resolved in one of two ways: (1) The insurer pays the claim, constituting complete discharge of the liability; (2) The insurer refuses, in which case the plan is treated as a non-insured plan, under which the estate has no obligation. The latter would apply, incidentally, in the unlikely event of an insurer's insolvency."

Rebuttal by Mr. Goldberg: "Unfortunately, the contract contains the phraseology I used and not the layman's explanation quoted immediately above. What governs in a court of law—the contract's terms or the layman's explanation?"

Mr. Goldberg also belted the mutual funds on numerous other counts, but most of these points were either secondary to his main theme or were so much matters of opinion as to be likely to lead to endless wrangling if sprung on someone already disposed to see the good side of owning mutual fund shares.

March sales of North American Life of Chicago exceeded the volume for the same month a year ago by nearly 15%.

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We are pleased to announce that Mr. Robert Shepler, CLU, has been appointed Assistant Vice President of the North American Reassurance Co., and will be in charge of this office. A native of the Midwest, Bob Shepler brings to his new post a wealth of valuable experience gained as manager of agency operations for two well-known Midwestern life companies.

In announcing this important step North American wishes to express our thanks to the evergrowing number of companies we are privileged to serve throughout this area, and look forward to welcoming you at our offices on the seventh floor at 230 North Michigan Avenue, telephone FI nancial 6-8940.



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